



**Nurturing cross border trade: Anil Kumar Bamba,**  
Chairman, LPAI



**Shaping logistics for Nepal trade: Prakash Singh Karki,**  
President, NEFFA

**HINTERLAND HEROES: TATA POWER SOLAR - The rising star in solar power**

**CMA CGM: MOV INDIA 2019: Thinking out of the box**

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# maritime gateway

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₹100

**CONCOR ALL SET TO CONQUER**

**KALYANA RAMA**  
CMD, CONCOR

## Freight Forwarding GETTING ONTO THE DIGITAL BANDWAGON

A new breed of digital platforms for freight forwarding is coming up with a promise of increased efficiency, better transparency and reduced logistics cost plus peace of mind guaranteed

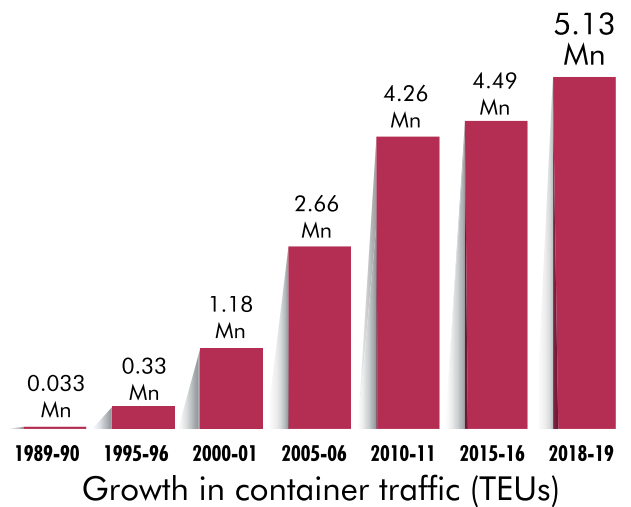


# Jawaharlal Nehru Port Trust Celebrates Thirty Glorious Years of Service to the Maritime Industry

This is beaded with milestones which makes JNPT the #1 Container Port in India & amongst the top 30 in the world globally, handling over 50% of the total container traffic across all major Indian Ports!

## Advantage JNPT

- 4 Container Terminals operated by global market leaders, besides a dedicated Liquid Terminal
- Capacity to handle larger vessels up to 12,500 TEUs
- Overall Port capacity to exceed 10 Mn TEUs by 2022-23
- Connected to over 200 Ports across the world & 34 CFS + 46 ICD destinations
- Mega projects like JNPT-SEZ, Dry Port at Sangli, Wardha, Jalna & Nashik & a Satellite Port at Vadhwan to further enhance JNPT's capacity
- Large scale infrastructural projects like widening of roads & Dedicated Freight Corridor (DFC) for faster evacuation of cargo
- In close proximity to Mumbai, the economic capital of India



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- Direct Port Delivery creating a smooth gateway for import containers
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- Seamless connectivity to the hinterland via road & rail, serving all container terminals

## JNPT's THREE DECADE JOURNEY

1989	1999	2001	2006	2010	2016	2018	2019
JNPort begins operations with one Bulk & Container Terminal (JNPCT)	NSICT - India's first privatized container Terminal is commissioned	JNPT becomes the 1st Indian port to cross 1Mn TEUs in container handling	GTICT - 3rd container Terminal commences operations	JNPort crosses the 4 Mn TEUs milestone	NSIGT gets operational	The 4th container Terminal (BMCT) commences Phase 1 operations	JNPort crosses the 5 Mn TEUs milestone for container handling in a calendar year



For information, call JNPT helpline no. 18004190281

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INDIA'S NO.1 CONTAINER PORT



## Geopolitical Tensions Continue to Haunt Maritime Industry

Despite a long term favourable trade for maritime industry during the last two and half decades, especially lead by China and emerging countries where the demand for raw materials and goods was so high, the industry has been slowing down in the past few years.

The world GDP and trade have doubled and quadrupled respectively in the past 25 years, however, the geopolitical tensions are going to haunt the maritime industry in 2019 and further. The US-China trade war, ongoing consolidation in the industry and implementation of digital technologies are going to influence the global trade this year.

The Trump administration is not limiting its anger to China but, also started hunting other countries including India. Recently the US has withdrawn the preferential access to Indian goods resulting to increase in taxes on Indian products in the US. In retaliation, India too hiked the taxes on 28 specific products originating from the US. At a time when two largest economies of the world –US and China – are battling hard on trade front – the experts estimated that India could fill that gap by increasing its exports to the US as well as China as it has got a tremendous potential to quickly improve the volumes either way. However, the recent trend doesn't support much to this analysis and signals an alarm to prepare well for the tough times ahead.

Donald Trump is trying to impress the US citizens by taking a tough stand against the emerging countries to woo the voters in his favour to returning to power again. Until a new president is elected, no free breathing for country, which means a possible slowdown in the world trade as the US is the world's largest consumer of all goods and services.

IMF has downgraded the world economic outlook to 3.3 per cent for 2019 in April from 3.5 per cent estimated in January this year. Even the Reserve Bank of India had in its bi-monthly review stated that the Indian exports and investments would be impacted due to the weak global demand indicating the trend of weakness in global trade.

Since all the stakeholders of maritime industry are becoming global players, the impact of geopolitical conditions is seen on this industry too as 95 per cent of India's EXIM trade happens through the ocean.

India has to leverage the potential of new and modern ports on the east coast to improve the trade with Asian neighbours to tide over the current situation and offset the impact due to global trade wars.

**R Ramprasad**  
Editor-in-Chief and Publisher  
ramprasad@gatewaymedia.in



The US-China trade war, ongoing consolidation in the industry and implementation of digital technologies are going to influence the global trade this year.



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PROVEN TECHNOLOGY

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## Resistance to Belt Road Initiative

A series of attacks on the Chinese nationals have been happening as a resistance to the ongoing BRI projects in Pakistan. But the resolve to withstand such attacks and move forward with infrastructure projects shows that BRI has not just pure economic objectives, but it has got some strategic intensions as well for China

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TATA POWER SOLAR



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Positioned among the pioneers in solar manufacturing and riding on advanced technology enables Tata Power Solar to remain nimble as it leads in renewable energy generation

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COUNTRY FOCUS: LATVIA



## Your next business destination

Being the natural gateway to the European markets, owing to its geographic location, Latvia is also an entrepreneurial hotspots and one of the favourite investment destinations for the world

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CAPACITY BUILDING

## Logistics network is only as good as its professionals!

The gap between what is taught in the class and requirements in the field needs to be bridged. Logistics organisations must improve their HR policies and strive to retain key employees by offering transparent career paths

# Freight Forwarding GETTING ONTO THE DIGITAL BANDWAGON



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# SPEEDWAYS LOGISTICS PVT LTD



## WHO WE ARE

We are a dedicated team working united for the past three generations. Commitment, dedication, patience and excellence resulting to a good service has always been our motto and that's the passion that drives us. We at Speedways welcome you to venture into a world where we define Logistics Supply Chain Management towards a whole new level.

## WHAT WE DO

Speedways, providing complete logistics solution to our customers with a one window service station by enabling all services when it comes to executing the supply chain management system. From freight forwarding to transportation of laden containers to warehousing cargo and crane hiring to customs clearing, a customer generally gets all the solutions under various departments of our firm when it comes to logistics.

## CUTTING EDGE

"The one who innovates is the one who leads". Leading the industry in its own ways, we at Speedways never focused on doing different things but dedicated ourselves to do things differently. Accepting challenges and crossing hurdles, we have done what was feared to be taken as a thought, from handling huge volume of cargo in one go from customers end to the port, we accomplished it all and still are working towards a future brighter than our past.

## MISSION

Gaining mass success with a remarkable reputation built over the years in the sector, Speedways has now made its existence in Kolkata, Haldia, Vishakhapatnam and Raipur providing the best service to our customers at a competitive price.

## VISION

With the coming of Speedways Logistics PVT LTD, the company has now established its position in the industry providing "Total Logistics" solution with services provided for Transportation, Warehousing, Packaging, etc...

## WHY SPEEDWAYS

Standing firm in the sector for about four decades, we have gained mass success and reputation standing on the pillars - GOOD SERVICE, RELIABILITY, TRUST, DEDICATION AND PROFESSIONALISM, experiencing the services, one does say - DEFINITELY SPEEDWAYS!!

## WHO WE ARE

We are a dedicated team working united for the past three generations. Commitment, dedication, patience and excellence resulting to a good service has always been our motto and that's the passion that drives us. We at Speedways welcome you to venture into a world where we define Logistics Supply Chain Management towards a whole new level.



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“Cyber threats come in many forms and have been rising steadily across the globe. As the world’s busiest transshipment hub, it is important that we safeguard our maritime and port critical infrastructure to prevent a major disruption to port operations and delivery of services.”

- **Niam Chiang Meng**

Chairman  
Maritime and Port Authority, Singapore



“The demand for a more efficient shipping industry isn’t going away, technology is here to stay. Those who grasp this opportunity will survive and thrive in the long term. Others who fail to exploit the savings that technology can offer them will wither and struggle to survive.”

- **Flemming Frost**

President, Cogoport



“The major advances IBM continues to make in blockchain illustrate that the technology is fostering new business models and playing an important role in how the world works.”

- **Bridget van Kralingen**

SVP, Global Industries, Clients, Platforms & Blockchain, IBM



“China is the largest market for contract logistics in this region. The contract logistics market in South-East Asian countries like Vietnam, Thailand, Malaysia and Indonesia has also become increasingly vibrant, and ongoing US-China trade tension has made such countries an attractive alternative manufacturing base to China.”

- **Lars Bergström**

Group Vice-President for  
Asia-Pacific and Indian  
Subcontinent, GAC



“In our industry, there is a tendency to believe that you have to digitalise everything. You don’t. You have to digitalise only what is necessary to digitalise.”

- **Mark O’Neil**

President, Columbia Ship  
Management





# RE-INSURING SECURITY!

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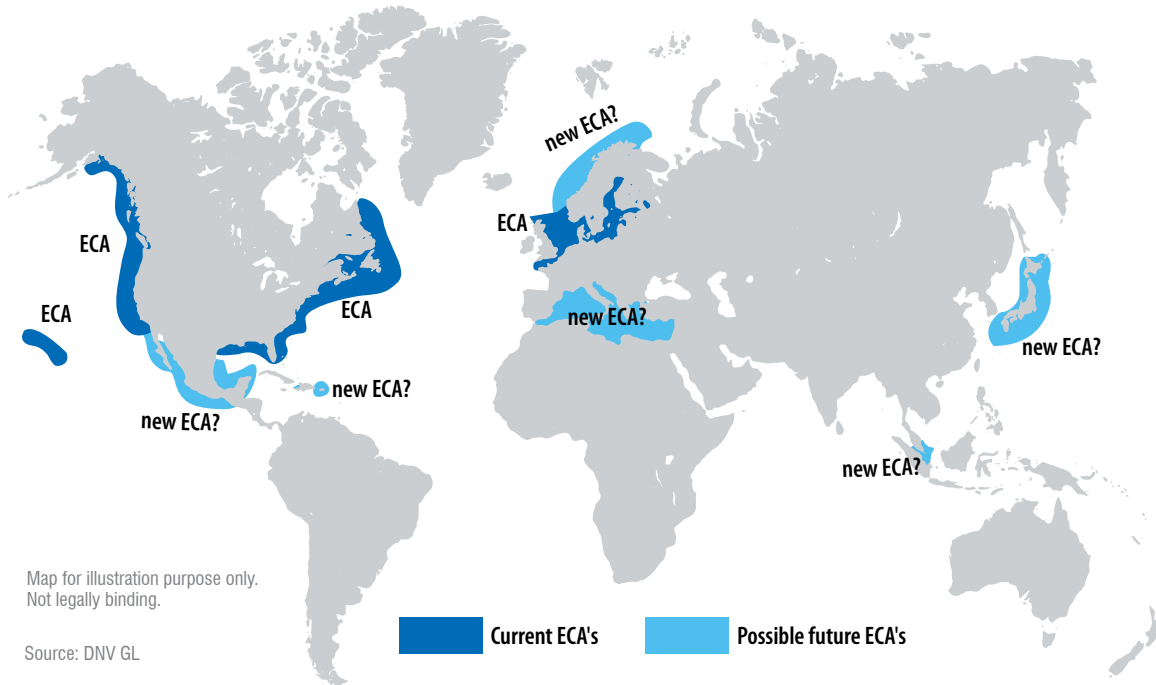
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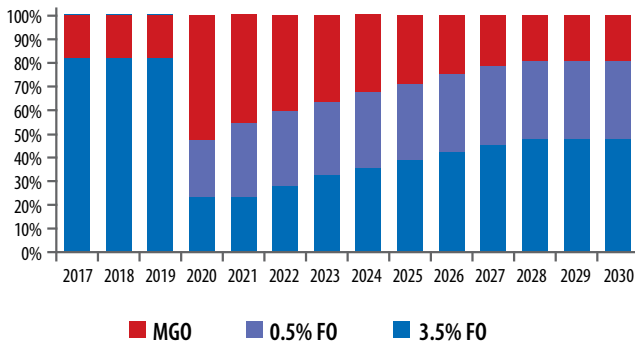
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# NUMBERS & GRAPHS

## Map of 2019 Emission Control Areas (Current & Proposed)

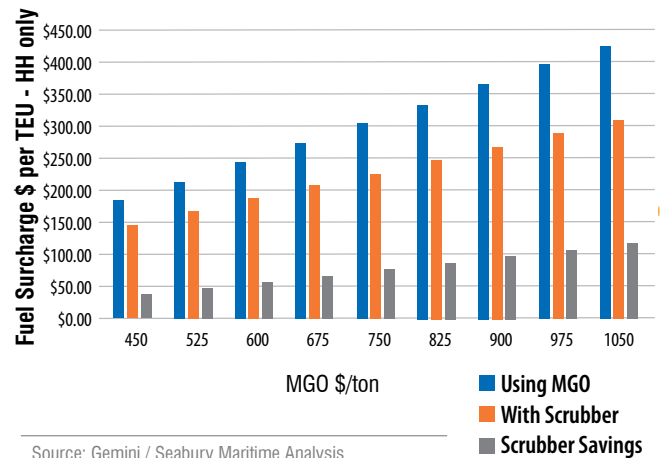


### Projected Marine Fuel Oil Market Share



Source: Argus Media

### Fuel Surcharge Comparison, Scrubber Use vs. MGO (8,500 TEU)

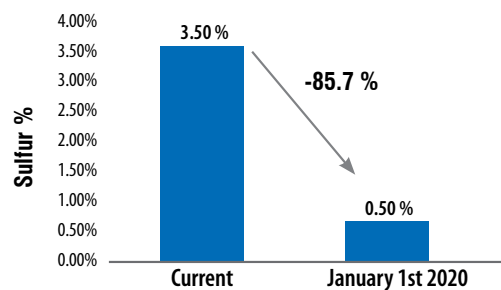


### Comparison of scrubber option cost by ship size

Ship Size	Added Annualized Scrubber Cost	Cost per TEU, HH only with Scrubber	Cost per TEU, HH only with MGO
8,500 TEU	\$1.756 million	\$26.41	\$65.80
4,500 TEU	\$1.079 million	\$61.31	\$72.59
13,100 TEU	\$2.118 million	\$30.66	\$49.47

Source: Gemini / Seabury Maritime Analysis

### Sulphur Emission reduction after IMO 2020 implementation



Source: Gemini / Seabury Maritime Analysis



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### Mansukh Mandaviya is the new Minister of Shipping

Mansukh Mandaviya, a Rajya Sabha MP from Gujarat, has been sworn in as the Minister of State for Shipping (Independent Charge) in the new BJP-led NDA government at the Centre. The portfolio was earlier held by Nitin Gadkari with Cabinet rank in NDA 1. Mandaviya is also Minister of State in the Ministry of Chemicals and Fertilisers in the new government. Mandaviya has the key responsibility of implementing the ambitious Sagarmala project, boosting coastal shipping and inland waterways, and passing key legislation to facilitate further ease of doing business for the stakeholders in the sector, among other things.

### Tender scrapped to select Indian partner for Chabahar Port

India Ports Global, a joint venture between Jawaharlal Nehru Port Trust and the Deendayal Port Trust, has scrapped the tender issued in December 2017, citing lack of clarity on sanctions that were re-imposed last year by the US on the Persian Gulf nation over its disputed nuclear programme. India Ports Global, vested with the task of overseeing the project, had extended the date for submitting price bids several times.

### Mundra Port covers new ground by berthing vessel



Mundra Port has achieved a new milestone with the first stern berthing of the vessel MV DONGBANG GIANT NO.2 at AMCT – CB4 in "Mediterranean Mooring", which

was done successfully on May 21, 2019. The ship had an overall length of 145.6 m, beam of 38m and depth of 8m. For expediting the operation, comprehensive logistics planning and mobilisation of resources was required for transporting such a complex unit. Specialised heat exchanger units (over-dimensional cargo) weighing approximately 850 and 1,450 m were loaded on vessel via a ramp placed on the stern of the ship through Self Propelled Modular Transporter (SPMT).

### Kochi-Coimbatore corridor proposal submitted

The Cochin Port Trust has submitted a proposal for the Kochi-Coimbatore Industrial Corridor Project to the Union Government, M. Beena, Chairperson of Cochin Port Trust, said at a trade meet organised by the Indian Chamber of Commerce and Industry, Coimbatore (ICCIC) in association with Cochin Port Trust. She said that Coimbatore is the strongest industrial base which supports the Cochin Port in terms of cargo. She also said that the modal shift to coastal cargo is growing in India, and about 1.2 billion tonnes of goods were loaded and unloaded across the country last fiscal.

### DP World acquires 76 per cent stake in KRIL

Hindustan Infralog Pvt Ltd (HIPL), a joint venture between DP World and the National Investment and Infrastructure Fund (NIIF), has acquired 76 per cent stake in KRIBCHO Infrastructure Ltd (KRIL). HIPL has acquired KRIL through its subsidiary Continental Warehousing Corporation (Nhava Sheva) in which it holds 90 per cent stake. KRIL is an integrated multi-modal logistics operator. The acquisition is expected to enhance DP World's existing business in terms of the business model and geographic footprint, offering an integrated portfolio to the entire logistics value chain.

### Maersk line starts document and payment desk at Gateway Rail ICD Faridabad



A document and payment desk of Maersk Line has become operational at the Gateway Rail Freight Ltd ICD at Faridabad. This unique facility is aimed at enhancing customer experience for the ICD customers who can now submit the original "Bill of Lading" and make payments to Maersk Line at this counter at ICD Faridabad and get electronic DO issued for Maersk Line and Safmarine import containers. Similar desks will soon become operational at the other three Gateway Rail Terminals—ICD Gurugram (Garhi Harsaru), ICD Ludhiana (Sanehwal) and ICD Ahmedabad (Viramgam).

## Hyderabad is third fastest growing warehouse leasing market

Hyderabad has emerged as the third fastest growing market in the country after Kolkata and Bengaluru when it comes to warehouse leasing with 96 per cent Y-o-Y growth thanks to an absorption of 4 million sq ft in 2018 as compared to nearly 2 million sq ft in 2017. E-commerce is the key driver for the warehousing sector in Hyderabad with close to 40 per cent of the total transacted space in the city being picked up by e-commerce companies. Nearly 70 per cent of the warehousing activity in Hyderabad is concentrated in Jeedimetla-Medchal-Kompally cluster that includes areas such as Gundlapochampally, Kandlakoya, Bowrampet, Gajularamaram and Turkapally. The other major warehousing clusters are Shamshabad and Patancheru.



## CEVA Logistics and CMA CGM join forces to launch a unique solution

CEVA Logistics and CMA CGM have combined their expertise and service capabilities in Thailand and Laos to launch a new cross-border service for ocean freight containers used by customers across both countries. The new service provides imaginative solutions for both import and export customers and helps them reduce their carbon footprint as empty containers no longer have to be returned to their origin. The new cross-border trucking service enables importers to drop off their empty containers at a newly-expanded CMA CGM container depot, operated by CEVA, outside the Laos capital, Vientiane.

## NCLT directs changes to the resolution plan submitted by JNPT

The National Company Law Tribunal (NCLT) order directing modification to the resolution plan submitted by Jawaharlal Nehru Port Trust (JNPT) for the debt-laden Dighi Port Ltd could spell trouble for the ₹853.28 crore deal that was approved by the lenders' panel and ratified by the insolvency court in Mumbai on May 8. The NCLT direction pertains to sub-lease deeds and sub-concession agreement signed between Dighi Port and the Veritas Group. In its resolution plan, JNPT had sought to terminate the sub-lease deeds and sub-concession agreement signed with Veritas Group citing that the terms and conditions were onerous and not in the long-term interests of the company.



## A. L. Logistics certified as Authorised Economic Operator

A.L. Logistics Pvt. Ltd, part of the Greenways Group, has been certified as an Authorised Economic Operator – LO – as a Custodian by the Central Board of Indirect Taxes and Customs on June 3, 2019. AEO is a programme under the aegis of the World Customs Organisation's (WCO) SAFE Framework of Standards to secure and facilitate global trade. The programme aims to enhance international supply chain security and facilitate movement of legitimate goods.

## JN Port's navigational channel dredging fetches many advantages

Jawaharlal Nehru Port Trust (JNPT) has enhanced its operational efficiency by dredging the navigational channel to 15 metres, thereby enabling it to berth larger vessels that can carry more consignments at a time. Among the advantages of a deeper channel are allowing the berthing of larger vessels up to 12,500 teus, 50 per cent increase in the capacity of vessels that can berth at the port, as well as reduced shipping and handling cost. It also facilitates higher parcel size of cargo, higher productivity at terminals and higher economies of scale.

## Kanoo Shipping launches operations in India



Kanoo Shipping, one of the largest specialised shipping agencies in the region and a fully-owned business of Yusuf bin Ahmed Kanoo Group (YBA Kanoo), has announced the opening of a general agency office, Kanoo Shipping India PLC, in Mumbai, which will allow it to have complete port coverage in India. The office will handle crew transfers, spare parts deliveries, Customs and immigration formalities and will work closely with the Indian local authorities. Port Captainty and Cargo Survey as well as ISO tank handling are expected to be introduced during the last quarter of 2019.

## SHIPPING

## India's coal import increased in April 2019

India's coal import increased by 13.4 per cent to 20.72 million tonnes (mt) in April 2019 compared to 18.27 mt in the same month last year. Of the total imports during April 2019, non-coking coal or thermal coal shipments were at 15.08 mt, according to provisional data by m-junction services. Imports of coking coal used in iron and steel making were 3.52 mt in April while metallurgical coke imports during the month amounted to 0.22 mt. The government has set a target of 1 billion tonnes of coal production by 2019-20 for Coal India.

## Saudi Arabia ends export ban

Saudi Arabia, which had imposed an export ban on fruits and vegetables from Kerala in May last year following the Nipah virus outbreak, has lifted the ban this month. With the easing of restrictions, exporters are now looking at increasing the quantity of exports to 200 tonnes this year.

## Allcargo exits ship-owning business

Allcargo Logistics Ltd has exited the ship-owning and coastal shipping business by selling the last vessel in a fleet of five ships. According to Prakash Tulsiani, Executive Director & CEO - CFS, ICD, Shipping & Investor Relations of Allcargo, the decision was made keeping in mind the ongoing shipping

recession. He also said that the growth in coastal bulk shipping has remained slow, and the segment did not contribute significantly in line with our outlook through the last seven years.

## GENMA wins order from Guangxi



Jiangsu Rainbow Heavy Industries Co Ltd seized a 200t/h mobile pneumatic ship unloader order from Guangxi, it will be used to unload and transship corn at the terminal. "GENMA" mobile pneumatic ship unloader focuses on solving loading, unloading and transshipment problems of various types of grain materials at terminal or port. Its hermetic sealed transporting procedure, strong continuous operation ability, low noise and other characteristics are ideal for terminals with high environmental requirements. The multi-stage turbine fan used in the product is efficient, it can save energy consumption by about 30 per cent, its material damage rate is less than 0.3 per cent and that it also automatically regulates flow, protects pipeline, reduces equipment maintenance and increases operation lifespan.

## Inmarsat and Hyundai Global Service agreed to fast-track

## maritime digitalisation

Inmarsat has signed a business cooperation agreement that allows Hyundai Global Service (HGS) to offer ship-owners and managers a digital total care solution route to maritime digitalisation. HGS was established in 2016 by parent group Hyundai Heavy Industries as a digital transformation solutions provider to optimise ship operation and performance. The agreement paves the way for a cooperation that will include the use of Fleet Xpress Dedicated Bandwidth Services by HGS to support its digital services for ship-owners, plus recognition of HGS as a Certified Application Partner (CAP) within Inmarsat's digital ecosystem.

## Tea exports from India to Pakistan rising

The recent tensions between India and Pakistan have reportedly failed to dampen the former's tea exports to the latter. In fact, volumes have gone up quite significantly. India's tea export to Pakistan could rise to between 20 and 25 million kg in 2019 from 15.83 million kg in 2018. This has also to be seen in light of the fact that Pakistan has registered a 35.8 per cent rise in per capita consumption of tea between 2007 and 2016, according to the Food and Agriculture Organisation (FAO) of the UN. Also, as per Indian Tea Association (ITA), payments from Pakistan are regular.

## CMA CGM and MSC to join TradeLens' digital platform

Global container carriers CMA CGM and MSC Mediterranean Shipping Company (MSC) announced that they will join TradeLens, a blockchain-enabled digital shipping platform, jointly developed by A.P. Moller - Maersk and IBM. With CMA CGM, MSC, Maersk, and other carriers committed to the platform, data for nearly half of the world's ocean container cargo will be available on TradeLens. The addition of CMA CGM and MSC will provide a significant boost to the TradeLens vision of greater trust, transparency, and collaboration across supply chains to help promote global trade. The companies will promote TradeLens and create complementary services on top of the platform for their customers and partners.

## Vinita Venkatesh receives 'Woman Achiever Award' from FEDSAI

Vinita Venkatesh, Director, Navayuga Container Terminal (NCT), Krishnapatnam, received the "Woman Achiever Award" on May 21, 2019 in Chennai from the Federation of Ship Agents Association of India (FEDSAI). On behalf of FEDSAI, Ashok Janakiram, Chairman, presented the award. Vinita Venkatesh, an alumni of IIM, Ahmedabad, has over 25 years of experience in the shipping industry, having handled a wide range of specialisations from liner shipping and agency to ports, CFS and auto logistics. In her current position, she steers business development for NCT.

# experience counts

Stevedoring experience spanning 3 decades at major ports has given OSL a natural edge. Continuous upgradation of man & management, vast infrastructure and excellent networking across the country are hallmarks of a great team.



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## Global merchant fleet crosses two billion DWT

According to Clarkson Research, the global merchant fleet surpassed the two billion DWT mark for the first time in May 2019, after being at 1.98 billion DWT at the start of this year, doubling in size in just 13 years, and could be on track to hit three billion DWT by 2033. It may be recalled that the first billion DWT capacity was achieved in April 2006, following which the fleet grew at a compounded average growth rate of 5.4 per cent from 2006 to hit two billion DWT mark.

## FreightBro launches app to enable freight forwarders to save time and ease workload



FreightBro has launched the first-ever freight forwarding application designed to optimise the freight forwarding process, save time and increase efficiency. The user-friendly app has features to discover global rates and schedules instantly, create instant quotes and monitor activity, accept bookings online, manage shipment life cycle and track cargo at a single touch of the screen. The app delivers an unmatched experience

to customers, forwarders and can be downloaded via the App Store and Google Play. FreightBro is a freight technology start-up aimed at revolutionising the trillion-dollar forwarding industry through digitisation of the manual processes of shipping.

## MOL to join Task Force on climate-related financial disclosures consortium

Mitsui O.S.K. Lines (MOL) has announced that it will participate in the Task Force on Climate-related Financial Disclosures (TCFD) consortium, which was established to provide a forum for discussions among corporations and financial institutions that agree with "TCFD recommendations". This aims to ensure that companies factor in climate change-related risks and opportunities when they disclose their strategies to investors. In 2018, backed by the Ministry of the Environment of Japan, MOL analysed scenarios based on TCFD recommendations.

## NYK joins One Sea Autonomous Ship Alliance

NYK Group research subsidiary MTI Co. Ltd has become the first Asian member of One Sea, an industry alliance aiming to realise autonomous ships. By actively participating in the discussion on international standards, the NYK Group aims to realise "manned autonomous ships" that further improve safety. Launched in Finland, One Sea is an international alliance that leads the world in the field of autonomous ships.

## APL unveils new Japan Malaysia Vietnam service

APL, part of the CMA CGM Group, announced in June 2019 the launch of the Japan Malaysia Vietnam (JMV) service, which will provide weekly connectivity between North Asia and Southeast Asia. The JMV service will offer one of the most comprehensive North Asian market coverage comprising five Japanese main ports as well as Hong Kong, Shekou and Taiwan. Shippers from Kanto and Kansai regions will also find an alternative access to Singapore, Malaysia and Vietnam via the JMV service and vice versa. The new JMV service will commence sailing from Osaka on 17 June 2019.

## Iran and India launch third direct shipping route

Iran and India have launched their third direct shipping route to connect the former's port city of Qeshm to Kandla. An Indian vessel delivered 13,000 tonnes of goods from India to the Iranian port to officially inaugurate the Qeshm-Kandla route. The first shipping route between the two countries was operationalised in 2017 between Iran's strategic Chabahar port and Mumbai. This was followed, in January 2019, by the launch of the second direct shipping route through Mumbai, Mundra, Kandla, Chabahar and finally Bandar Abbas in southern Iran. With this new shipping route, more goods and agricultural products are expected to be shipped between the two countries.

## PORTS

## Pharma cos give MPT a miss, route exports via Mumbai

Marmugao Port Trust (MPT) continues to be out of pharmaceutical industry's loop, as manufacturers route their exports through Mumbai. The pharma industry has few complaints to cite. With a feeder vessel operating just once a week between Goa and Colombo, multinational drug manufacturers say they prefer to send the finished product to JNPT where the consignment is immediately loaded onto a container vessel. The pharma companies also claim that movement of containers at MPT is risky, as pharmaceutical goods need to be delivered quickly. Most pharmaceutical companies are headquartered in Mumbai and even though it is expensive for them to transport containers over land, pharma units find it less cumbersome to ship containers by trucks to Mumbai.

## Active cargo tracking on the rise

The number of active tracking devices deployed for cargo loading units including trailers, intermodal containers, rail freight wagons, air cargo containers, cargo boxes and pallets reached 6.1 million worldwide in 2018, as per Berg Insights. Growing at a CAGR of 27.3 per cent, this number is expected to reach 20.4 million by 2023. Trailer telematics is today the most developed market, followed by tracking devices for general cargo applications and intermodal containers.





# COLOMBO INTERNATIONAL LOGISTICS CONFERENCE

The Indian Ocean's Emerging Mega Maritime, Logistics and Distribution Centre

1<sup>st</sup> & 2<sup>nd</sup> August, 2019 | Galadhari | Colombo, Sri Lanka

## Sri Lanka - A location that Connects:

market & continents

giving speed & access to supply chains

reducing lead time & cost of unit operations of logistics

## Access to 2 Billion + people in the fastest growing Asian region

Sri Lanka has very flexible and an investor friendly environment through its Commercial Hub Act opening the country for logistics FDI with least procedures for international investments. As South Asia's population and the middle-income group expands, demand for products manufacturing and consumption is likely to triple or quadruple by 2050, making a huge demand for cost effective logistics services. And Sri Lanka is unmatched to any other geographic location to provide logistics to emerging markets. The debut edition of Colombo International Logistics Conference will bring under the spotlight this unique advantage of Sri Lanka, showcasing it as an investment destination beyond 2020.

Port visits, Free Zone visits etc



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**SRI LANKA**



**LPG transshipment facility starts operations**



South Asia's largest LPG transshipment terminal has been officially inaugurated in June 2019 at Sri Lanka's Hambantota International Port by LAUGFS Terminals. The first LPG cargo was brought in by the Sri Lankan flagged vessel Gas Success, one of LAUGFS Maritime's own gas carrier fleet. The terminal will operate as a central hub for LPG importing and re-exporting as well as the providing LPG to local retailers. The 30,000 tonnes capacity LPG terminal will serve coastal shipping services between Hambantota and Colombo. It is expected to lead to the creation of other service sectors in the immediate hinterland, generating employment and income generation opportunities for the country.

**NEPAL**



**Indo-Nepal trade treaty to be amended to include waterways as mode of cargo transport**

In order to enhance connectivity between the two countries, the Indo-Nepal Treaty of Trade and Transit

1991 will be amended soon to include waterways as a mode of cargo transport, as currently the treaty allows movement only by road and rail between the two nations. Currently, the cargo that comes to Kolkata or Vizag has to go by road or rail to Nepal. This is because the trade treaty recognises only these two modes of transport. The clause is being amended to include waterways. The Nepal government has also requested India to explore whether the Gandaki river could be used as a waterway right up to the border of the two countries.

**MYANMAR**



**Myanmar, China ink framework deal on Kyauk Pyu Port**



Myanmar has signed an agreement with China's state owned CITIC Group to start work on the deep-sea port in Kyauk Pyu. The scaled-down framework agreement includes the construction of two berths, and follows extensive negotiations between the parties on the project which originally set out to build ten berths. The project is expected to be implemented in four stages. The first stage is expected to cost around \$1.3 billion, slashed from initially planned amount of nearly \$7.5 billion. The Kyauk Pyu port project is one of the central pieces of China's Belt and Road Initiative.

**VIETNAM**



**Russia's Novatek to develop LNG regasification terminal in Vietnam**

Russian gas company Novatek has signed a Memorandum of Understanding with Vietnam's Ninh Thuan Provincial People's Committee for the development of an LNG regasification terminal for the country's integrated energy-generating project. The energy-generating project provides for the delivery of LNG utilising existing infrastructure as well as developing new infrastructure, including the construction of the LNG regasification terminal and new gas-fired power plants within Vietnam. Partners of the proposed project include Siemens, Total Gas & Power Business Services, and Vietnam A&A Technology Investment.

**OMAN**



**Sohar Port and Freezone introduces online route planner**

Oman's Sohar Port and Freezone has launched an online route planner that provides information on available connections to hinterland destinations. Sohar Navigate is the first platform of its kind in the Middle East and will include sea schedules connecting to 550 ports around the world. The system offers users a choice of routes between the point of departure and final destination and includes analysis tools, as well as a business directory and information regarding the carbon footprint of any container transport.

**QATAR**



**Ports in Qatar post substantial growth**

Qatar's maritime sector has delivered strong performance in the first quarter of 2019. Hamad Port, Ruwais Port, and Doha Port have registered all-round growth in cargo and passenger traffic during January-March quarter of 2019, showing the robustness of Qatar's maritime sector. The ports received 321,345 containers during the first quarter of 2019, registering three per cent increase over the same period of 2018. The ports handled 17,141 units of vehicles while 227,554 tonnes of general cargo during the first quarter. The ports handled 235,053 livestock during the quarter. A total of 958 ships called at these ports during the first quarter of 2019.

**PAKISTAN**



**Pakistani seafood export to China increased**

The export of Pakistani seafood from Gwadar to Chinese cities through Urumqi, China's Xinjiang autonomous region has increased manifold owing to robust demand. Yu-Fei Marine Technology of China (Gwadar) Company is one of the largest fishing companies in the Gwadar port of Pakistan. In the last two years, Yu-Fei imported 1,000 tonnes of seafood and sold them to cities in the Chinese mainland. Now it takes 34 hours for lobsters and groupers from Pakistan to arrive in Xinjiang through air transport, instead of 25 days.



# BOLSTERING INDO-BELGIAN RELATIONS

**Raj Khalid**, Representative, Port of Antwerp, is bestowed with the honour of 'Officer in the order of Leopold,' for strengthening bilateral economic relations between Belgium and India

by Hemang Palan

The President and Managing Committee members of the Association of Multimodal Transport Operators of India (AMTOI) held a glittering event in Mumbai recently to felicitate Raj Khalid, Representative, Port of Antwerp, for being bestowed with the honour of 'Officer in the order of Leopold.'


Speaking at the event, Peter Huyghebaert, Consul General of Belgium in Mumbai, said, "Raj Khalid received this honour for his long-time engagement in strengthening bilateral economic relations between Belgium and India, first as a Flanders

trade commissioner and later on in his role as a Port of Antwerp representative. I have witnessed his hard work, continuous efforts and excellent network, which resulted in creating a brand distinction for the Port of Antwerp and Belgium as a whole across India. His professional hallmarks will always be his in-depth knowledge of the economic sector (and logistics sector in particular) and his strategic insights and thinking. I take this opportunity to thank him once again for his valuable contribution to increased bilateral cooperation between Belgium and India and wish him success".

Shantanu Bhadkamkar, President, AMTOI, said, "The trade and industry outreach program of the Port of Antwerp, owing to the visionary leadership has been exemplary. The perspicacity of foresight of a statesman needs to be supported by the correctness of execution by those responsible for it, and if we have to give credit to one person for creating enhanced awareness about the Port of Antwerp all over India, the credit goes to Raj Khalid. In the course of his outreach to the maritime community in India, while representing the port, he has built robust linkages between Belgium and India."

The Order of Leopold is one of the three current Belgian national honorary orders of knighthood. It is the oldest and highest order of Belgium and is named in honour of its founder; King Leopold I. It consists of a military, a maritime and a civil division. The maritime division is only awarded to personnel of the merchant navy, and the military division to military personnel. The decoration was established on 11 July 1832 and is awarded by Royal order. [img](#)

# Freight Forwarding GETTING ONTO THE DIGITAL BANDWAGON



A new breed of digital platforms for freight forwarding is coming up with a promise of increased efficiency, better transparency and reduced logistics cost plus peace of mind guaranteed

by Omer Ahmed Siddiqui

Supply chains that have expanded globally interconnecting businesses across borders have slowly become inefficient, as there is so much to consider while shipping cargo from point A to point B – such as the best mode of transport, lead times, managing documents, track and trace, transparency across the logistics chain and of course the final cost. To manage all this the traditional freight forwarding involved a plethora of emails, phone calls and bundles of paper work, but thanks to digitalisation - technology solutions are now being introduced to address these inefficiencies and thus provide a more efficient, agile and customer-centric supply chain.

Traditionally, carriers and forwarders in the industry typically employ large teams of people who build sales, write quotes, and do the legwork necessary to create a price point for a shipper who is looking to move cargo. While this system works, it has its limits. This is where a digital platform has the upper hand. With the ability to analyze a broad range of pricing and booking metrics almost instantaneously, shippers can get the most accurate price point and book in less time than it takes to pick up the phone.

**Ask Biplob Barik, CEO & Cofounder of Boxnbiz, “Coming**



from an international freight forwarding background I have seen most of the shippers complain that they have to spend 60 per cent of

their time managing logistics activities with their freight forwarders. It used to take 72 hours to find a freight quote, more than 70 odd documentation for an end-to-end consignment and huge losses just because of lack of transparency in supply chain.”

As per a report shippers losses \$7billion annually just because of delays and bad decision. “The industry lacks a great shipping experience and this could be solved by delivering services through software,” reveals Biplob. Today Boxnbiz is a digital freight forwarding and customs brokerage company into the mission of fixing broken user experience in global shipping industry. Right from booking, collaboration, reporting to payments and many more could be managed from an intuitive cloud-based software. Shippers can easily procure rates, manage orders, track in real time, generate reports and make payments online. This logistics suite helps them to scrape of 2/3 of their procumbent time at half of their

involvement at 20 per cent reduced cost.

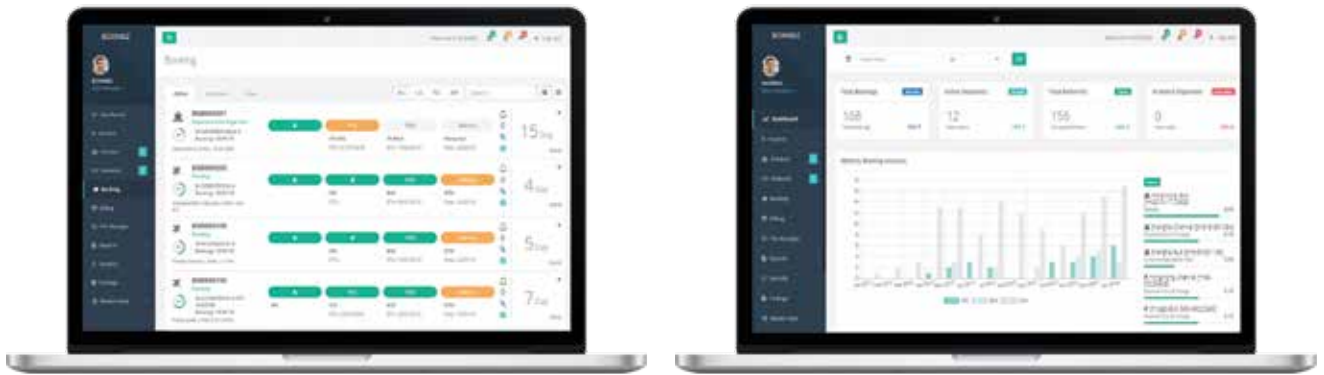
There is something for the service providers as well. Carriers, freight agents and transporters who come aboard these platforms benefit with increased visibility transforming into more sales. “Doing this we have seen 25 per cent increase in our logistics partners sales,” reveals Biplob.

**Mohammed Zakkiria, Cofounder, FreightBro - another digital platform for freight forwarding shares a similar**



experience. “The manual and repetitive nature of everyday operations are primarily where most of these inefficiencies stem from

and they remain same irrespective of forwarders' size. Procuring rates is still a tedious task in the industry. Most of the shipping lines still send rates on email or spreadsheets to forwarders. There is no visibility on how many times forwarders opened those rate emails/spreadsheets, which port pair they are actively searching for and reason for lost bookings. Our platform is bridging the gap between small forwarders and shipping lines, by providing a more data-centric approach to businesses which facilitates better and informed decision making.”



“As a SaaS company, we offer Web and mobile-based applications to forwarders & 3PLs which can digitize their key processes like sales, procurement, operations and also give an end to end visibility to their customers. Digitization here refers to the automation of the manual and repetitive tasks. We see an approximate reduction of 50 per cent of sales costs and 70 per cent of operations cost,” informs Zakkiria. A custom mobile application to 3PLs enables to search, book and track shipments. FreightBro has so far generated more than 5000 teu worth bookings from small forwarders. Trucking companies can benefit from the movement of door-to-port & port-to-door loads. Other value-added offerings from FreightBro partner ecosystem are co-loading, insurance and trade finance.

Meet Cogoport, this platform operates as a marketplace where customers can see, instantly, in one place the available prices and sailings for their cargo and they can book at the click of a button. It saves them contacting multiple sellers and waiting (sometimes days) for quotations. “When you’re having to quote a shipping price to your consignee it’s a big help and makes the process more competitive. Users can track the progress of their consignment at every stage of its journey, in real time,” reveals **Purnendu Shekhar, CEO of Cogoport**. Cogoport advertises rates from more than 60 shipping lines and NVOCCs and partners with over 300 freight forwarding service providers.

Digitalising and optimising the global shipping experience is FreightCrate Technologies. This comprehensive online freight rate and shipment management solution for both customers and freight forwarders offers services such as door-to-door shipping via air and ocean; Customs clearance and trucking; all-inclusive and standardized freight pricing online; shipping schedules from multiple carriers; shipment management dashboard and data analytics.

While all the digital platforms boast of instant access to freight rates, but **S Ramakrishna, Chairman, FFFAI** brings out a valid point – “The digital platforms will surely give shippers a better experience and transparency, but indicative rates do not determine the actual cost. The INCO terms would determine the cost which would also determine the services that are provided by



“The digital platforms will surely give shippers a better experience and transparency, but indicative rates do not determine the actual cost. The INCO terms would determine the cost which would also determine the services that are provided by the freight forwarder.”

- **S Ramakrishna**  
Chairman, FFFAI

the freight forwarder. This digital concept has been in the west for a long time still the business of freight forwarding is growing day by day. The professionalism needs to be maintained and it would also need quick upgradation of market



## TRADITIONAL FREIGHT FORWARDERS

v/s

## DIGITAL FREIGHT FORWARDERS



### RATE DISTRIBUTION

Complicated Rate Distribution with multiple communication and complex spreadsheets.



Real time visibility and comparison of rates.



### QUOTE MANAGEMENT

The average time taken for offline quotation generation is 24-48 hours.



Instant quote generation can be done in less than 2 mins.



### DOCUMENTATION MANAGEMENT

Poor collaboration between parties due to complex documentation management involving multiple people.



Seamless end to end documentation solutions providing visibility on a single screen.



### CUSTOMER RETENTION

Customer retention and relationship is heavily reliant on the salesperson being the face of the business.



The brand is built around the digital platform and technology is the facilitator making customer retention easier.



### ROI

Sales cost is very high and ROI takes significant time.



Instant ROI with calculated strategy to acquire customers.



### TRACKING

Manual tracking and updates reliant on customer service executives.



Live milestone based automated tracking directly from the source.



“Tomorrow if a shipper can do Customs clearance online through self-declaration and also procure space on shipping line, what is the role left for a traditional freight forwarder?”

- Vivek Kele  
Director, Teamglobal



condition, routes, transshipment, etc. We should also keep in mind the consolidation of shipping lines is another factor which will have far more implications than the Digital platforms.”

Taking a closer look at freight forwarding, **Vivek Kele, Director, Teamglobal** says, “Freight forwarding involves a gamut of services and it’s difficult to digitalise all of them and offer it as a single service on a digital platform in the near future. From what we see that individual services are being digitalised in part, we are a long way before it can be made available as a fully digitalised service in whole, there is a need to standardise all individual services like Customs clearance, transportation, CFS services, etc before they can be combined as a single digital freight forwarding service.”

### Shippers' perspective

While the digital platforms continue to boast of the efficiencies they offer, the ultimate feedback can be only had from the shippers who are using them. Eruvaka Technologies Pvt Ltd, an aquaculture solutions provider has been moving its exports through Boxnbiz. **Venkata Ramesh, Director & COO** of the company seems to be enchanted by the services. “We have our customer base in Latin America and every month we do quite a few shipments. If I need a quote from Krishnapatnam Port to



“For tracking a consignment earlier we needed the master BL number to check on the shipping line’s website, but with Cogoport we can instantly login and track consignments live. We are able to save 2-3 days in shipping time while the cost has decreased 15-20 per cent.”

- **Roshan Gathibandhe**  
Zim Laboratories



**Roshan Gathibandhe** from Zim Laboratories is another tech savvy exporter of pharmaceuticals to Iran and Algeria, making shipments through Cogoport. “If I make an enquiry for a container from shipping line through Cogoport I get the details in half an hour, which earlier used to take 2-3 days.” For tracking a consignment earlier we needed the master BL number to check on the shipping line’s website, but with Cogoport we can instantly login and track consignments live. We are able to save 2-3 days in shipping time while the cost has decreased 15-20 per cent reveals Roshan.



“Live chat facility is available for all shipments and response time is maximum 3 minutes. On digital platforms it takes only 3 days to make a shipment – one day each for stuffing the container, Customs clearance and loading onto the vessel. The cost savings is around 20 per cent using digital platforms, but the peace of mind is priceless.”

- **Venkata Ramesh**  
Director & COO,  
Eruvaka Technologies Pvt Ltd



shipper can do Customs clearance online through self-declaration and also procure space on shipping line, what is the role left for a traditional freight forwarder?,” asks Vivek Kele. “Increasing transparency is leading to diminishing of old revenue models and the traditional freight forwarders will need to reinvent themselves by inventing new business models based on value creations.” So the next obvious question is how do the traditional freight forwarders brace to survive the digital transformation? Vivek Kele suggests, “Digitalise your own services, invest in technology and add value, that’s the Mantra for survival in the digital wave.”

“Digitisation will have the most impact on freight forwarders who offer the Plain Vanilla models, a segment of the industry that is already stressed with low yield and high credits. These businesses will have greater motivation as the compulsion and the urgency to evolve new business models will be higher. If we take a look at the evolution of freight forwarders over the last 150 years, we will see that not only the forwarder has changed continuously with time, but there also have been phases of transformation. These are the times that separate the men from the boys,” points **Shantanu Bhadkamkar**, President, AMTOI.

Honduras Port I can get the quote in 10 minutes. Now compare this with the traditional freight forwarding wherein I used to get a quote after 2 days. Online payment facility for booking containers is available through which banking charges are saved. Right now if I check the status of my 3 shipments I can see one has reached Seoul Port, the other is at VN SGN Port and the third at TGA Port. In the traditional system we had to use a bill number on the shipping lines website which is not updated always and if there is any mismatch in the destination or any error in documentation then the shipment is held back and will need to catch the next vessel. So many times my shipments got delayed due to error in documentation. Coming to documentation, at Boxnbiz we have templates that give a clear idea of the documents we need to file, while in the traditional system every time some new requirements used to come up. Live chat facility is available for all shipments and response time is maximum 3 minutes. On digital platforms it takes only 3 days to make a shipment – one day each for stuffing the container, Customs clearance and loading onto the vessel. The cost savings is around 20 per cent using digital platforms, but the peace of mind is priceless.

### The way forward for traditional freight forwarders

“The freight forwarding community doesn’t has a choice but has to start finding solutions which are technology based. Technology to a very large extent has done away with domain knowledge. The older generation had spent a life-time in picking up domain knowledge, but the newer forwarders will not have to work that hard because they will get everything at the press of a button. So, domain knowledge is going to take a beating but people will have to learn technology more and more. It is not very far away when the forwarding community will start working with their smart phones,” predicts **Samir Shah**, former Chairman, FFFAI. “Tomorrow if a



“Digitisation will have the most impact on freight forwarders who offer the Plain Vanilla models, a segment of the industry that is already stressed with low yield and high credits.”

- **Shantanu Bhadkamkar**  
President, AMTOI





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# INDIA NEPAL LOGISTICS SUMMIT

JULY 28, 2019

CROWNE PLAZA KATHMANDU - SOALTEE • KATHMANDU



## THEME TRANSFORMING LOGISTICS LANDSCAPE

The first edition of India Nepal Logistics Summit will bring together government representatives and trade community to find solutions to some of the most pressing issues related to cross border trade and logistics of both nations.

## PROGRAMME

9.00hrs Onwards	:	Registrations
10:00hrs to 11:30hrs	:	Inaugural Session
11.30hrs to 12.00hrs	:	Refreshment Break
12:00hrs to 13:30hrs	:	Business Session One <b>India - Nepal Trade: Opportunities and Challenges</b>
13:30hrs to 14:30hrs	:	Lunch
14:30hrs to 16:00hrs	:	Business Session Two <b>Cross Border Cargo Movement</b>
16:00hrs to 16:30hrs	:	Coffee Break
16:30hrs to 18:00hrs	:	Business Session Three <b>Changing Landscape of Shipping &amp; Logistics - Preparing for Future</b>
18:00hrs Onwards	:	Networking over Cocktails followed by Dinner

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INFORMATION ANALYSIS

# CONCOR ALL SET TO CONQUER



**Q. You have announced the freeze of tariff price for one year, what is the strategy and how it is received by the trade?**

It's not a big strategy, it is basically what we have been doing for the last two and half years empowering the customer, first we brought in know your container location (KYCL), and we have implemented this across all our depots, so that the customer knows where his container is. Then we connected this with our tracking mechanism onboard and we provided continuous cargo visibility, and it is well received by the customers and running very well. From the time cargo is handed over to us either in exports or imports, we have been providing 100 per cent cargo visibility to our customers for the last one year. We have implemented this for our domestic cargo also. Further, we have also brought in 45 days by 90 days free time, taking away all the mental worries of our importers and exporters.

There is always some uncertainty among customers whether there may be some increase in charges. We want to give clarity and peace of mind to the customers and announced that there will not be any price hike till one full year. It is a unique step by CONCOR, because till now no PSU or any private limited company has so far not announced that price will not change for one full financial year. We have

Announcing price stability for one full year – a strategy unique to CONCOR, the logistics major has taken its customers by surprise. **Kalyana Rama**, CMD of this PSU further reveals plans to foray into distribution logistics, expand infrastructure and improve connectivity to neighbouring countries

assured our customers that till 31st March 2020 not only freight charges even all other charges including handling, and warehouse charges will not be increased for one full year. It is very well received by the customers, and some of them are not even able to believe or digest our announcement of freeze of tariff price for one year. Our decision empowers customers, and it is nothing but a kind of ease of doing business.

**Q. What it is to CONCOR in terms of CONCOR perspective?**

If you look at it at this pricing model there may be a pressure on our margins, but what we are seeing is we are continuously growing. We are picking up at least 10 to 12 per cent extra over previous year. In the last two years our handling has gone up, and our originating traffic has

gone up around 11 per cent in the previous year, and in the last year it grew around 8 per cent. This year we will grow at least 10-12 per cent, may be because we are giving this price stability. A big player will always try to work with CONCOR. Customers across India are talking of a lot of cargo availability and they wanted to do with us including domestic and export cargo. Whatever may be the pressure on our margins, I am sure we can get out of that. If we grow more than 10-12 per cent we may increase our profits. This is our strategy.

**Q. You recently forayed into coastal shipping business. How is it faring?**

It's a very new business we started this on January 10, 2019. We are seeing occupancy of around 70 to 80 per cent, but backhaul we are not getting. We are not in favour of getting involved

in price wars. We believe in providing quality service at a reasonable price. In coastal we are facing some competition, where in some other operators I was told that they are having some understanding and reducing their prices. But even then we are able to pick up around 70 per cent of our capacity utilisation, and we are now planning to connect east coast, once we connect this and connect Bangladesh also we can see a lot of potential. The strength of CONCOR is different from other coastal operators in that we can connect hinterland seamlessly.

**Q. Are you facing any issues relating to first mile and last mile connectivity?**

We are not facing any issues with first mile and last mile connectivity. We are providing seamless connectivity.

**What about return cargo issue?**

We are talking to shipping lines and we are working with them, and we are also looking at some backhaul return cargo which will be available once we start moving on to east coast ports and Bangladesh. There is a lot of backhaul return cargo available in east coast. In coastal cargo we provide bulk break-bulk, and container transport, as far as rail is concerned it is limited to container transport only. We will connect the bulk, break bulk and container transport to normal railway wagons.

**Q. You have been talking about distribution logistics for the last two years, how will this fit into coastal shipping and do you think this will complement your existing business?**

Yes, it will complement our main existing business which is container logistics with 83 terminals currently running and adding another eight to ten more this year. Our target is to achieve 100 terminals by next two to three years. We have already started coastal shipping business. Now this distribution logistics will be merged into container and coastal and will

create seamless connectivity. We are creating distribution logistics centres to hold them all, maintain their inventory, manage their inventory, and distribute it. Till now we are transporting box as a whole, now we are looking inside the box, we are bringing out the cargo we have started handling the cargo.

**Q. What are your plans for growth of cargo in our neighbouring countries Nepal and Bangladesh?**

We have already connected Nepal to Visakhapatnam in addition to Kolkata. Growth of cargo from Visakhapatnam to Nepal is very good, last month we did 25 trains, this month we are targeting to touch 30 trains, and I have given an internal target of 60 trains. Further to that we are also handling bulk cargo and break-bulk cargo at Birgunj depot. We are also providing some transportation to domestic cargo from India to Nepal such as steel and other items. There is a new depot opened under Nepal-India agreement at Batna, we are also operating from there. We have already run one rail service there and now it will regularly start. We are working with other agencies including Land Port Authority of India and other interested private operators and Nepal government to start something at Batna.

To Bangladesh we ran one trial run after that there were some issues as the infrastructure is not sorted out. So we are waiting for the Bangladesh government and railways reaction to make it a regular thing. Very low value commodities are allowed and we are requesting Bangladesh Customs to allow more commodities.

Meanwhile coastal will be an alternative route. We are thinking of connecting with Krishnapatnam or Haldia Ports. Instead of taking cargo through rail, we will connect by rail to the port and from port we will reach to the country. Bangladesh rail too cannot access more than three trains a day. Rest of the cargo waiting to enter into Bangladesh can enter only through coastal shipping.


**Q. Do you have any plans to add more rakes?**

Today we own 307 high speed rakes and around 36 vfkh rakes totalling 343 rakes. Now our programme is we will add around 270 high capacity rakes in the next four years. We have already given tender for the first time to private companies for manufacturing 60 rakes. We are giving manufacturing orders to private companies as well as to railway workshops. We are expecting the first rake will start treading out in September this year. We are expecting to add about 35 to 40 rakes this year.

**Q. Do you have any other initiatives or future plans?**

We are looking at bulk transportation of commodities in containers, like cement in bulk in containers using flexi bag technology. If we see the consumption pattern of cement in India, out of the total consumption 80 per cent is required in bulk and 20 per cent in bags. But, today in India as bulk transportation is not available, only 10 per cent is going in bulk, while 90 per cent is transported in bags, so bagging, again consumption and debagging and a lot of pollution is happening.

Today available method is bulk cement can be done only in specialised wagons, but backhaul will always be a problem. What we are working on is to try to find a solution to do in normal containers so that in backhaul we will use containers for some other cargo and for cement we will use flexi. This method is already available in other countries, but what we are trying to find is a cost-effective solution in India. Once it is brought in it will give huge benefit to the industry. It will be useful for cement, food grains, slag, and several other types of bulk container cargo transport.

Keeping this in mind, last year we got 8,000 new containers for domestic sector. This year from April we have added 4,000 more containers. A tender for 10,000 containers we are processing. We are adding rakes and containers, and if we find a solution for bulk we will add more containers. 

# Resistance to Belt Road Initiative



A series of attacks on the Chinese nationals have been happening as a resistance to the ongoing BRI projects in Pakistan. But the resolve to withstand such attacks and move forward with infrastructure projects shows that BRI has not just pure economic objectives, but it has got some strategic intensions as well for China

China, the all-weather friend of Pakistan has financed several infrastructure projects in the region under Beijing's "One Belt, One Road" initiative for building up trade routes linking China, Southeast Asia, Africa, Europe, and Latin America. The \$62 billion China-Pakistan Economic Corridor (CPEC) initiated by the Chinese has been facing a lot of resistance from many militant groups within Pakistan especially from its Balochistan region.

The separatist groups like Baloch Liberation Army (BLA) have openly condemned the Chinese projects in their region and are fighting against what they see as an unfair exploitation of the province's resources. BLA is one of the six Baloch separatist groups that oppose Chinese investment in Baluchistan, particularly the Gwadar Seaport. The Baloch locals are concerned about the influx of Chinese nationals as a result of CPEC, because as per the Pakistan Chambers of Commerce and Industry (FPCCI) report, the Chinese population is projected to overtake

the native population by 2048.

A series of attacks on the Chinese nationals have been carried out as a resistance to the ongoing BRI projects in Pakistan. BLA and other Baloch groups have often targeted Chinese workers since CPEC was introduced in 2015.

Unidentified men threw a grenade into a labourers' hostel in the Pakistani port of Gwadar wounding 26 of them in October 2017. An unidentified gunman killed the Chinese general manager of COSCO Shipping Lines in Karachi in 2018. Baloch militants attacked the Chinese consulate in Karachi in November 2018. The militants have also resorted to atrocious crimes like carrying out suicide attacks on Chinese engineers and workers in August 2018 and further three attacks on security forces were reported in early 2019.

The recently elected government in Pakistan has tried to show some resistance to Chinese CPEC projects, as during the campaigning to elections that made him Prime Minister, Imran Khan vowed to

review CPEC projects. In September 2018, the government proposed pausing all CPEC projects, and after meeting the Saudi Arabian crown prince, Imran Khan said that the kingdom had agreed to invest in CPEC too. But after meeting the Chinese President Xi Jinping in November 2018, Pakistan's government rolled back its invitation to Saudi Arabia to join CPEC and all talk of pausing or cancelling Chinese projects as well.

In spite of the growing attacks on its nationals working in Pakistan, China is firm to withstand such attacks and move forward with its infrastructure projects, which shows that BRI has not just pure economic objectives, but it has got some strategic intensions as well for China. The south western province of Balochistan, a key section of the BRI projects for energy and transport connects western China with the Middle East and Europe. China however, needs to improve security in this region as many of the infrastructure projects in Pakistan are in this restive region. 

## THEME

# Inland logistics: Streamlining the Container Supply Chain

## Programme

- 09.00hrs Onwards : **Registrations**
- 10.00hrs to 11.00hrs : **Inaugural Session**
- 11.00hrs to 11.30hrs : Refreshments Break
- 11.30hrs to 13.00hrs : Business Session One  
**Reducing Logistics Cost:  
Are we looking at the  
wrong tree?**
- 13.00hrs to 14.00hrs : Lunch
- 14.00hrs to 15.30hrs : Business Session Two  
**Empowering the end  
customer**
- 15.30hrs to 16.00hrs : Refreshments Break
- 16.00hrs to 17.30hrs : Business Session Three  
**Digitalising Container  
Supply Chain: The next level**
- 17.30hrs to 19.00hrs : Networking over cocktails
- 19.00hrs onwards : **The Gateway Awards**



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# THE RISING STAR IN SOLAR POWER

Positioned among the pioneers in solar manufacturing and riding on advanced technology enables Tata Power Solar to remain nimble as it leads in renewable energy generation

**T**ATA Power Solar, a giant in the Indian solar energy sector with three decades of expertise, is growing much faster than the industry average growth to become the largest solar power company in the country. From the legacy of TATA Group, TATA Power Solar, is one of the pioneering solar manufacturers in the world and India's largest specialized EPC player. The company has virtually grown four times in the past four years in the solar domain.

The company manufactures solar power modules at its plant in Bengaluru, where it has an annual manufacturing capacity of 300 megawatts (MW) of solar cells and 400MW of modules. During 2017-18, the company exported about 47 MW of PV modules and cells, making it one of the largest solar power equipment exporters from India

TATA Power Solar Managing Director and CEO, Ashish Khanna attributed the success and profitability to four key differentiators, namely technology and innovation, quality service offerings, customer centricity

and commitment of the workforce to provide top-notch solutions. He believes in providing best in class quality, excellence and total commitment towards the work and towards consumer requirements.

“We consider nurturing long-term relationships with our customers and partners across India. In India, solar power is available in abundance, hence we have inclined our business portfolio towards solar as we realized we needed to get into a business that was scalable and would ensure profitability. We wanted to enhance our strengths rather than just try to counter the competition of the commodity. We assessed our value proposition and its impact on forth-coming business opportunities”, he said.

TATA Power Solar is engaged in the portfolio of PV modules catering to multiple segments including large projects, industrial solutions, and standard power packs with a vision to become the leading solar solutions provider in the country, delivering high quality and sustainable results to its consumers. India's renewable energy

sector has been growing at CAGR of 19.78 per cent during 2014-18 and currently the country has a total installed capacity of 77.64 GW, as per IBEF report. The renewable energy sources can help India to meet 40 per cent of its total energy demand by 2030, it said.

The Ministry of New and Renewable Energy has set a target of having 225 GW renewable energy capacity by 2022 and the efforts are on to achieve the same. In fact, due to the contributions of companies like TATA Power Solar, the government's target is not only achievable but, also can be exceeded.

According to CRISIL Research, the Indian Solar power capacity addition during the next five years – 2019-2023 – is estimated at 50 GW compared to the previous five years – 2014-2018 – which saw a capacity addition of about 20 GW. Thanks to the central and state government's ambitious targets of having more and more renewable energy sources, the assumption goes on to reality. PSUs such as NTPC are also actively

pursuing solar energy projects in support of the nation's solar mission.

TATA Power Solar is fully equipped to tap these opportunities and expects the various government initiatives would help further growth of the company in the future. "The government's announcement of a subsidy for 12GW of projects, which requires the deployment of indigenous modules, the country seems poised to reap the benefits, and Tata Power Solar is eager to play its part in this transformation journey," Khanna explained.

### All India Player

Specialized in installing roof top solar projects, TATA Power Solar has spread its wings all over the country by expanding into over 100 cities including Delhi, Mumbai, Ajmer, Ahmedabad, Jamshedpur, Dhanbad, Hyderabad, Bengaluru, Chennai, Pune, Nagpur, Guwahati, Chandigarh, Cochin, Varanasi, Kolkata and Jaipur to name a few. The company's residential rooftop solution decreases the use of diesel generators, leading to more fuel savings.

Tata Power Solar executed some of the marvellous projects such as world's largest Rooftop at a single location and India's largest carport at Cochin International Airport. Recently, Tata Power Solar joined hands with Cricket Club of India and installed the world's largest solar powered Cricket Stadium in Mumbai, in a record period of 100 days.

"We have also commissioned few challenging projects like we commissioned a 30MWp Solar Power Plant in Lapanga, Odisha. It is one of the largest Solar Power Projects in India which is built on an Ash Dyke area that has 60 per cent (19 MWp) in Ash Dyke area and 40 per cent (11 MWp) in normal land. The unique thing about the project is that the construction of the CMCS building has been done with fibre cement board, along with placing DC cable through HDPE railway crossing



India's Solar Exports witnessed a growth of 223 per cent in Q3 2018 compared to Q2 CY 2018. India exported solar cells and modules worth \$56.23 million and in Q2 CY 2018, India had exported solar cells and modules worth \$17.4 million

**ASHISH KHANNA**

Managing Director and CEO,  
TATA Power Solar



without any damage to railway line by Horizontal Directional Drilling. We have commissioned a 100MW solar park in Anantapur, Andhra Pradesh. It is the first project commissioned in solar park segment which got clearance from Solar Energy Corporation of India (SECI) in one go," Khanna added.

Realizing the fact that the PPAs are crucial to maintain cash flows, the renewable energy major, is also in the forefront securing power purchasing agreements with its group companies. It has signed a PPA with Tata Steel on installing solar rooftop solution to Tata Steel Processing Limited plants across India. The overall capacity of the project is expected to be between 3-4 MW.

Ashish Khanna foresees a bright future for Indian solar power industry not only in India in terms of installation but, also for exports from the country to the world over. "India's Solar Exports witnessed a growth of 223 per cent in Q3 2018 compared to Q2 CY 2018. India exported solar cells and modules worth \$56.23 million and in Q2 CY 2018, India had exported solar cells and modules worth \$17.4 million", he said.

Having manufacturing unit in Bengaluru, TATA Power Solar currently exports and imports the materials from Chennai port through ICD – Bengaluru.


### Challenges made the company tough

Installation of solar power projects at remote locations pose many threats and challenges to the EPC players as the vendors and even the workers do to want to go work from that project locations. However, the company, with a vast experience in the sector passed through all of them by learning lessons from each of the project it works for.

"Each commissioning project comes with its own unique challenges and learnings. Like tough terrains -hard Rock on the surface, access road to solar park, remote locations, unwillingness of vendors to work at location and infrastructure challenges etc.

Our home-grown competencies helped us to execute our first project in about 18 months. Today, we take less than 6 months to execute a project. Technology and automation have enabled us to be nimbler, allowing us to save our working capital and use the same team to work on two projects," Ashish Khanna explained.

Advancements in technology have also entrenched Tata Power Solar at the forefront of new power generation, especially solar. For instance, drones help the company to survey rooftops in search of minute cracks that are not visible to the naked eye, and to rectify them; this technology-assisted capability is invaluable at both rooftops and on ground-mounted solar assets.

A software developed in-house enables the company to process the bill of materials using basic parameters like solar potential, rooftop contours, and so on, recorded by the drones. With the aid of technology, the requirement gathering is completed in a few hours, thereby saving hundreds of person-hours. 

# NURTURING CROSS BORDER TRADE

The land border trade with neighbouring countries has the potential to grow ten times to the present levels of trade with 20-25 Land Ports functional on different Land Borders. LPAI is targeting to multiply the trade with neighbours in the next five years and accordingly infrastructure is being improved, reveals **Anil Kumar Bamba**, Chairman, Land Port Authority of India

**Q. What important role does Land Port Authority of India (LPAI) play in the seamless movement of cargo across international borders?**

The Land Ports Authority of India has been created to develop safe secure and seamless border crossings on all the land borders of India. LPAI has already completed the development of six land ports on different borders. The ICPs developed by LPAI are state of the art facilities with large parking spaces, warehouses for cargo handling, passenger terminals for immigration as well as public utilities and conveniences.

**Q. At present the trade on land borders is a small percentage of the total EXIM trade. What are the challenges to the Land Border trade with our neighboring countries?**

At present the trade through the land border is less than 5 per cent of the total trade. This is abysmally low considering the historical trade routes within the Indian sub-continent. After the partition and creation of Bangladesh all the traditional trade routes got disconnected. LPAI has to play an important role in re-connecting these links by creating efficient, transparent and trader friendly border crossings. The cross border value chains of many commodities already exist recreating these value chains only requires creating good border



infrastructure and an atmosphere of confidence among the traders on both sides of the border.

**Q. As the LPAI increases its footprint on the land borders how will it impact the logistics cost of the trade across the land borders?**

The LPAI currently has six functional land ports on different borders. One more land port at Dawki, Meghalaya is under construction. These seven Land Ports will account for 65 per cent of the current level of the cross border trade. In the next phase LPAI is going to develop 13 more Land Ports together these will account for 95 per cent of the current level of trade. At the functional Land Ports the logistics

cost to exports due to parking hassles, long queues and procedural delays apart from cost due to non-transparent procedures have been mitigated to a large extent. Traders now have a better idea of the actual time taken for crossing the border and consequent costs. This encourages exporter and importers to hunt for new value chains across the border within the constraint of the bilateral agreements. LPAI However is not content with capturing the current levels of trade. The land border trade with neighboring countries has the potential to grow ten times to the present levels of trade with 20-25 Land Ports functional on different Land Borders. LPAI is targeting to multiply the trade with our neighbours in the next five years.

**Q. One of the major challenges for logistics operators is the lack of infrastructure and capacities on the road/rail network for movement of goods from Sea Port/Land Ports to destination. What are the linkages being planned in the case of connectivity for the Land Ports?**

Two of India's neighbours Nepal and Bhutan are landlocked countries. Both of them are dependent on India and Bangladesh for their third country EXIM trade. India being the dominant economy of the region as well as being the country having a vast coast line has provided both Nepal and



Bhutan with the access to sea ports. Both Nepal and Bhutan import third country products through Kolkata Port, Vizag Port, and other Ports in India, apart from Mongla/Chittagong Ports in Bangladesh. These Ports are already connected to Indian Railways and NH system. On the Nepal Border LPAI has two functional Ports at Raxaul and Jogbani. Opposite ICP Raxaul a rail fed ICD connected to Indian Railway System is already functional. LPAI proposes to set up rail siding based logistics hubs at both the Raxaul and Jogbani ICPs for facilitation of EXIM trade on India-Nepal border. All the ICPs of LPAI are also being connected to the NH system by 2 lane/4 lane road as per requirement.

**Q. The congestion on roads and time taken for Customs Clearances on both sides of the border at the border crossings increase the logistics cost and sometimes makes it unviable for exporters and importers to trade. How do you visualize that the situation can be eased out to reduce the logistics cost?**

Customs clearance at LCS takes place mostly on the road at the border crossing. No parking, warehousing, security, weighbridges, CCTV are available there. Consequently the roads are jammed with cargo traffic as well as the local commuter traffic. Even private vehicles trying to cross over find it a difficult proposition. For the cargo vehicles delays upto several days just to reach the border



Raxaul Cargo Movement

crossing is routine. Due to these issues trade across the land route continues to remain at low levels. In ICPs sufficient parking space has been made available. Weighment, examination and loading-unloading (whenever required) are carried out in a CCTV controlled and sanitized environment where no theft or pilferage is possible. The ICPs are located away from the town at Greenfield sites and hence sufficient road space is available for cargo traffic to reach the ICP. At the locations where the ICP have come up traders have an idea of the cost of transshipment & parking etc which are displayed on our website as well. They can estimate the actual time the shipment will take to cross the border, thus helping them in formulating a fair estimate of the total logistics cost of the transaction. As more and more ICPs are developed on different borders EXIM traders will have the option to utilize these facilities and reduce their logistics costs.

**Q. The infrastructure at the land borders has traditionally been a low priority area. Basic requisites for**

**trade and commerce like electricity, Internet Connectivity, road condition, mobile connectivity are lacking on the Nepal, Bangladesh, Bhutan and Myanmar borders. What is the role of LPAI in highlighting and developing these requisites?**

The ICPs are being located at Greenfield sites which have almost no mobile, Internet power or road connectivity. Cross Border trade has not been able to prosper in India due to many reasons one of them being the poor infrastructure in the border areas. LPAI takes up these issues with the concerned departments in parallel with the planning and construction of ICPs. ICPs cannot succeed unless it has all the requisite connectivity infrastructure like road link to NH, replacement of weak bridges, construction of ROB, dedicated power line, dedicated Optic Fiber based internet connection, mobile towers etc. All these are not in the purview of LPAI, however LPAI ensures that all the necessary infrastructure is put in place by respective agencies.

**Q. At the land borders efficiencies can be brought in by effective coordination, and info exchange between the countries. What is the level of collaboration and cooperation between the Government Authorities at the Land Ports in India with their counterparts in Nepal and Bangladesh?**

ICPs have been developed on India-Nepal, India-Bangladesh, India-Myanmar and India-Pakistan Border.



ICP Moreh



ICP Jogbani

At present most of the interaction with Port officials of other country takes place through the offices of MEA representatives in that country. This however is a long process and not useful for resolving day to day Port to Port issues. LPAI has now formulated a mechanism with the support of MoC, MHA & MEA to hold monthly port level meeting on India-Bangladesh Border. First meetings were held in April 2019 both at Petrapole and Agartala. We propose to have similar port level coordination at other borders as well.

**Q. Are there any plans for developing common user facilities for cargo scanning and Customs operations that can make the movement of cargo across border quick and easy?**

The ICPs bring all the requisite facilities for traders to carryout smooth and fast EXIM trade in a transparent manner. Custom clearance is carried out at much quicker pace since all facilities are available at one place. Cargo vehicles are parked in an organized manner. Therefore the cargo movement gets streamlined. Common user facilities protocol would take the efficiency to the next level. Mutual recognition of Plant & Animal Quarantine test reports, lab reports, sharing of scanner reports etc would be a step in this direction. Having test and checking procedures at the ICP which can be accessed by Customs/BGF/Port Officials of both sides would certainly reduce the process time further. This however

depends a lot on the relations between the countries. It is possible to take up a test case to further develop the idea.

**Q. Multimodal transport connectivity to the hinterland and across the border has vast potential for trade facilitation. Does LPAI plan to integrate its facilities with both the road and rail networks?**

Rail and road networks are in the purview of the respective ministries. However Trans-South Asian Trade across the land borders can only prosper if the border crossing points of all the participating countries are well connected to the hinterland as well as the cross border linkages. The important road networks like the Asian Trilateral highway, AH1 & AH2 routes have been highlighted at different forum like BIMSTEC, BBIN & SASEC platforms. Incidentally some of ICPs are located at the borders crossings where the railways have planned cross border connectivity projects. At Raxaul, Jogbani and Petrapole the rail line passes within the ICP complex. LPAI has already taken up with MoC and MoR to facilitate the integration of the rail project with the ICP complex. This will enable the traders to exercise multimodal options with this cargo. It will also enable all regulatory agencies to synergize their operations on both rail route and ICP.

**Q. Trade across the land borders takes place through Land Custom Stations. Six of these have been upgraded to ICP status by LPAI. How many more LCS will be upgraded and how does LPAI propose to roll out the upgradation of these LCS?**

In the next phase 13 more locations

have been identified on different borders. The focus being on faster integration with NE states as well as Nepal, Bhutan and Myanmar. The pace of their development will be dependent to a large extent on the land acquisition process in which the state government has to play a major role. LPAI plans to develop 20 ICPs in all in the next 4 years subject to expeditious land acquisition by state governments in the next one year. In addition to these 20 ICPs LPAI is also moving a proposal to upgrade more Land Customs Stations as mini ICPs based on trade volumes and passenger movement.

**Q. How do you fore-see the future of land border trade with our neighbouring countries?**

The land border trade today is less than 5 per cent of the total EXIM trade. The government is now focusing on development of border areas, better North-East Connectivity, Act East Policy, connectivity and sharing protocols with Bangladesh, Nepal and Bhutan. The trade across the land borders is going to be a focus area. The developments in border areas will also give a boost to good relations with our neighbors. Good infrastructure at border crossings is the first impression which our neighbours get about our country. It also reflects our desire to have warm and friendly relations with our neighbors by providing them excellent facilities when they enter India. LPAI has the agenda to provide safe, secure and systematic border crossings and aims to integrate its efforts with the broader vision of connectivity in the South Asian Region for promotion of trade, tourism and people to people contact. [img](#)



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# Shaping logistics for Nepal trade

Implementation of ECTS and access to Vizag Port in addition to Kolkata Port has brought a lot of relief to Nepal trade, expediting cargo movement. Now the trade community is looking forward to improvement in road infrastructure, better rail connectivity, addition of more ICDs, ICPs, warehouses and streamlining of Customs procedures, shares **Prakash Singh Karki**, President, Nepal Freight Forwarders Association



**Q. As the head of NEFFA what is the agenda before you?**

First of all, I have to protect the interest of our members, keeping them informed of the changes if any on taxation, procedure, legal compliance, capacity building and to put forward our members demand with concerned authority and department to ease doing business. Besides these, other agenda are to suggest and provide feedback on trade facilitation, connectivity, transit treaty, rail service agreement and waterways etc. including formulation of legal provision relating to logistics

sector to create conducive environment. The foremost agenda is to have developed logistics infrastructure in the country and ensure our participation.

**Q. Following the introduction of transshipment for Nepal cargo at Kolkata and Vizag Ports and the introduction of ECTS, how is the Nepal trade benefitting in terms of time and cost of logistics?**

Long ago NEFFA had suggested for transshipment modality for Nepal bound cargo. After the introduction of ECTS on rail bound cargo to

Nepal which works on a type of transshipment modality, it has been made easy especially in submitting all commercial documents with Kolkata Customs. Now the shipment by rail can be moved directly to ICD Birgunj by shipping line without submitting original commercial documents. However, it has not resulted in cost benefit. Rather the cost has increased to a great extent.

**Q. Off late, there have been certain issues relating to pendency in movement of Nepal cargo,**

**availability of rakes, congestion at land ports and documentation issues. How far have these been resolved?**

Recently, there is no pendency at Kolkata Port. However this needs to be seen in peak season about the effectiveness of measures taken whether the issue has been resolved permanently. There are few other factors for not having pendency currently and availability of rakes i.e. with the introduction of ECTS, the rail bound cargo from Kolkata Port has been moved to Vizag Port and by road too. Since there are only few liners who provide direct service from Kolkata Port to ICD Birgunj. There is news that there is congestion at Vizag Port and in near future congestion may be shifted to ICD Birgunj with the transshipment modality. We need to enhance the capacity of ICD Birgunj and to develop infrastructure to cope with the upcoming challenges.

**Q. When GST was introduced in India, even the Nepal trade was impacted. Have those issues relating to GST been sorted out?**

Nepal trade was impacted since the regime of Service Tax. We were making our representation to waive the Service Tax. When the GST was introduced, it has more impacted the Nepal logistics trade. There were series of meeting between GOI and GON with private participation. NEFFA too had participated in these meetings. Finally, GOI has agreed to waive the GST on transit cargo but still liners are charging GST on export cargo which also needs to be addressed.

**Q. How is the infrastructure at the land ports on Indo-Nepal border? What improvements are required?**

Currently, the infrastructure at Indo Nepal border in major points is satisfactory. However there is need for further improvements basically the railway connectivity of all major points and earliest completion of proposed ICPs. At the same time, the

capacity of ICD Birgunj needs to be increased. The road infrastructure at border on both sides needs to be improved and the development of private warehouses and CFS at border is also much needed. More ICDs are required and Government of Nepal has plans of having at least one ICD in all seven states. Construction of ICD in Kathmandu is in progress.

**Q. What challenges the freight forwarding community in Nepal faces while moving cargo from Indian seaports/land ports to Nepal?**

The freight forwarding companies face a lot of challenges while moving cargo from seaports to land ports in Nepal. As per the treaty the custodian right is given to CHA's whereas we are the main player to provide end to end logistics service. There are almost 18 signatures required to pass a CTD (Custom Transit Declaration) and to provide all original documents though the duties are paid in Nepal. Now, with the introduction of ECTS on rail bound cargo CONCOR and shipping

“ The road infrastructure on both sides needs to be improved and there is need for earliest completion of proposed ICPs. Development of private warehouses and CFS at border is also much needed. Government of Nepal has plans of having at least one ICD in all seven states. ”

lines can only file transshipment bond which means we do not have any role in this part of movement whereas we should also be given the authority to file transshipment bond which would help to reduce cost and monopoly of few liners. The change in Customs officer at border (which takes time to understand the procedure) and different laws of Indian states also sometime is a challenge for

seamless movement. The high rate of detention and demurrage charges, syndicate of truck operators, only one rail operator are few of the challenges faced by freight forwarders.

**Q. How the shipping lines are responding to the logistics needs of Nepal trade?**

Nepal is having almost 30 per cent share in total volume of Kolkata Port which means Nepal market is a good business for shipping lines. Earlier, we had movement through Kolkata Port alone but with the opening of Vizag Port as another gateway port, the response has enormously increased and now shipping lines from Kolkata have concentrated more on Nepal market but absence of shipping lines own office or agency in Nepal is a major hurdle.

**Q. What is the mind-set of traders in Nepal for using inland waterways?**

We are eagerly waiting to use inland waterways. To use the Indian inland waterways, this provision needs to be made a part of transit treaty. At the same time development of waterways, terminals and harbour in Nepal is a must.

**Q. How can the government help freight forwarding community to improve Nepal trade and logistics?**

The government can help to improve Nepal trade and logistics by ensuring more participation of domestic freight forwarders in ICDs and ICPs terminal management, ensuring routing of cargo through us, providing soft loan to establish warehouses and CFS, duty exemption on vehicle to ply on international transit route to compete with Indian transporter, since duties on vehicle are too high in Nepal. Enactment of Logistics Act, Goods Carrier Act, Cargo legal Liability Insurance, review of MTO Acts, Private CFS & Warehousing Act are also required to improve Nepal trade and logistics. [img](#)

# SHIPPING ALLIANCES a BOON or a BANE

Consolidation was expected to improve quality of service offered by shipping alliances, but on the contrary there has been a drop in the quality of service reveals International Transport Forum

**G**lobal shipping lines have formed alliances with an objective to lead to further improvement in services and lower freight charges. It was also expected that consolidation at a global level would lead to better services by the carriers. But on contrary global container shipping clients are not pleased with shipping lines because there is a sharp drop in quality of services.

Customer service and customer relations could be effective differentiators for container lines. More customer-focused business policies of the container lines may help carriers to develop and sustain their competitiveness in intra-alliance competition. Yet, most clients of container lines were outright critical of the level of customer service of most carriers, in particular those that outsourced their customer service to low-wage countries like India, as this deteriorated customer service to dramatic levels.

## Impact of alliances on transport system

Alliances have endorsed carriers to acquire and operate mega ships which has directly contributed to reduction in service frequencies, less direct port connections, decline in schedule reliability and longer waiting times. Whereas, independent carriers manage to provide more differentiated service levels and thus more value added to transport users. Moreover, alliances have proved to be inherently instable, considering that all major carriers are in alliances, changes in one alliance have an impact on the whole sector.

The impacts of alliances on the containerised transport system taken as a whole seem to be predominantly negative. They contribute to concentration of port networks and related under utilisation of public infrastructures, in combination with other factors some of which are directly related to alliances, such as mega-ships and the behaviour of port

authorities. Within ports, the buying power of the alliances can create destructive competition between terminal operators and between other port service providers such as towage companies.

Mega-ships have driven overcapacity in the sector. Ships having over 17,000 teu capacity represented around a third of the new-build container capacity during 2015-18. Overcapacity is one of the main causes of the lack of profitability of container shipping. Global alliances have further aggravated the problem of excess investment and overcapacity, which is one of the core causes of the lack of profitability of container shipping.

The increasing dominance of alliances in the aftermath of the global economic crisis that started in 2008 has disrupted the cyclicity: instead of the decline of ship capacity it resulted in capacity growth that was completely disconnected from demand for containerised transport

capacity. The Alliances made smaller carriers to follow market leaders in their ordering of mega-ships. Without alliances, this would not have occurred and container shipping capacity would likely have been closer to equilibrium with demand.

Alliances are supposed to improve the utilisation of ships, but this is a futile attempt. There were around 22 blank sailings on average per year on the Transpacific trade lane, and 13-14 blank sailings on the Asia-Europe trade lane during 2015-17. On average around 30 per cent of these blank sailings are known less than four weeks in advance, which has repercussions for the supply chains of shippers. On the other hand, carriers are sometimes confronted with late cargo arrival or no-shows from shippers. Moreover, there are few indications that alliances have helped carriers to improve their financial performance.

Container lines have by nature limited opportunity to differentiate their core service, port-to-port transportation, since it is standardised and homogenous. This homogeneity and the lack of difference between offerings of container lines have made containerised transport services a commodity-like service. The price sensitivity of container shipping is also high since shippers usually look for the best price as they perceive the core product identical and as switching costs are considered to be low.

Differentiation in service offerings would enable carriers to better serve their customers. Moreover, differentiation in service offerings could also help container shipping to attract cargo from other transport modes or shipping sectors. But, global alliances reduce the opportunities for differentiation among alliance partners. Differentiation on their core offerings such as transit time, on-time sailings and space availability at the vessel, are all covered via the vessel sharing and are equivalent across the alliance.

There are numerous indications which show us that service quality has gone down since the creation of the new alliances in 2017. For example, vessel delays have gone up, the average delay for all vessels in the second half of 2017 was 1.02 days, this was 0.60 days in the second half of 2016. This category includes vessels arriving ahead of schedule, on schedule and behind schedule. If we focus on the vessels that arrive behind schedule, the indicators are worse. The average delay for late vessel arrivals was 3.96 days, considerably higher than the 3.35 days recorded in the second half of 2016.

<b>2M</b>	<b>34%</b>
<b>Ocean Alliance</b>	<b>28%</b>
<b>THE Alliance</b>	<b>17%</b>
<b>Others</b>	<b>21%</b>

Container Shipping Alliances' Impact on Global Container Market

### How shipping alliances impact consumers


There seems to be a decrease in containerised freight rates over the last two decades, but the effective rate paid by clients through so-called surcharges have soared. The multitude of surcharges makes price comparison by customers difficult, so this complicates the assessment of whether transport users benefit from transport efficiency from alliances. Surcharges represent a very significant addition to base rates and sometimes even a higher proportion of total costs compared to base rates.

These surcharges are levied on services that were earlier considered usual shipping service, but are now categorised as value-added. Surcharges accounted for more than 50% of the total freight charged to customers in 9 of 14 markets. There are indications

that show carriers have been involved in revenue generation in applying higher surcharges which did not reflect actual costs. The existence of surcharges also makes it sometimes difficult to assess whether alliances are indeed passing on price benefits to consumers.

The bigger ships used by alliance carriers require many operational efficiencies such as larger port infrastructures, dredging works, buffer capacity in ports to accommodate larger peak loads. These infrastructure adaptations require investments that are often in excess of the operational savings caused by bigger ships, but these costs are often burdened by public bodies and not recovered via fees to carriers.

The latest round of mergers has led to the top eight shipping carriers gobbling up the largest chunk of cargo, effectively lowering customer choices. Global alliances of the mid-1990s provided cooperation space between smaller carriers, while alliances are nowadays cooperation tools for the largest container lines. The three global alliances (2M, Ocean and THE Alliance) that are operational since April 2017 represent around 80 per cent of the overall container trade and operate around 95 per cent of the total ship capacity on East-West trade lanes, where major containerised flows occur. With swiftly evolving industry consolidation, the market power of carriers impacting costs of trade will increasingly have an effect on consumers and the cost of the goods.

In order to empower consumer from colossal shipping alliances, it's high time that anti-trust exemptions to shipping liners be removed. Most countries now believe that container companies do not deserve exemptions, and are removing anti-trust exemptions granted to them earlier, i.e., New Zealand did away with a set of antitrust exemptions given to shipping lines last year. 

Based on excerpts from case specific policy analysis report by International Transport Forum

# THE PIONEER IN MOVING NEPAL CARGO



Third country imports in Nepal are expected to grow in future and CONCOR is ready with its world class services to serve the trade in the most efficient and cost effective manner

by Syed Abdul Rahman  
Group General Manager (C&O) CONCOR - Eastern Region

Container Corporation of India Ltd. (CONCOR) has been at the forefront in providing seamless and efficient transit service to Nepal through the gateway ports of Kolkata, Haldia and Visakhapatnam. With a humble beginning in the year 2004-05, CONCOR has been since keeping pace with the growing demand of consumer goods in Nepal spurring import. Standing shoulder to shoulder with the government and importers of Nepal, CONCOR has been relentlessly serving their interests and has always come up trumps in meeting their growing aspirations. Besides partaking in development of the dry port at Birgunj, what is now known as Himalayan Terminal Private Ltd. (HTPL), the biggest dry port in Nepal, CONCOR has been operating the facility since its inception, has infused more rolling stocks, has taken initiatives to open new gateway ports and delivery

points and has eased the transit procedures through IT solutions, such as KYCL (Know Your Container Location), and recently by supporting Government's initiative to introduce ECTS (Electronic Cargo Tracking System), which has flattened the procedural hurdles and given end to end container visibility.

As the growth in demand is expected to continue, a few infrastructure development initiatives will have to be quickly undertaken by the government of Nepal in partnership with Govt. of India and important stakeholders, such as CONCOR and NITDB.

## Import and export

Considering the year 2000 as the base year World Bank has developed an 'Import Index' which starting from 100 in the year 2000 reached the scale of 325 in the year 2017. This spectacular rise possibly piggybacked on GDP growth (or probably led to it) which rose from \$5.5 billion

in 2000 to \$24.8 billion in 2017, approximately 4X growth in 17 years. A simple regression shows a very positive correlation between the GDP and import volumes. If we try to find an elasticity value, although any econometric operation on less than 30 data points is unlikely to be statistically significant, a two variable regression shows an elasticity of import volume of 0.86 with respect to GDP which is quite high and more or less in the statistically acceptable range. The meaning of this value is that a one percent increase in GDP will cause 0.86 per cent increase in import volume. This elasticity value, however, needs to be econometrically validated with more data points and multiple variables but it does give a sense of relationship between GDP and import volumes in Nepal.

Three important indicators that are also major drivers of import are plotted in Figure 1, showing their



interdependent relationship and the interplay over the period from 2004 to 2017. An important point to note in the graph is increase in growth rate of import into Nepal from the year 2008 which possibly is an effect of HTPL and start of train operation between KoPT and Birgunj.

A quick look at the Figure 2 reveals how fast the imports into Nepal through HTPL have grown. From approximately 5000 teus in 2004-05 the volume has jumped to a whopping figure of approximately 41000 teus. A CAGR of around 16.5 per cent is impressive by any standard and this phenomenal growth rode on CONCOR's back. The linear trend line's sharp northward rise (Fig. 2) would demand marshalling of huge resources, particularly rolling stocks, year on year, at an increasing pace.

Total imports into Nepal grew even faster in the corresponding period as the expanding gap between the two trend lines would suggest. When HTPL started its operations in the year 2004-05 the total import was about 15,000 teus but it was well above 80,000 teus in 2018-19. The CAGR of 13.5 per cent may not look comparable to the CAGR of rail-based transportation to HTPL but we should not miss the point that the rail transportation had a very low base to begin with.

### CONCOR's initiatives

Since inception CONCOR has been taking initiatives to make the transit more efficient and cost effective and to this end it has pressed into service high speed BLC rakes in KoPT – BGY corridor, ensured reliability in placement of rakes at Port, has been

continually increasing the number of rakes from 4-5 to 10-12 and now to 20 rakes, reduced rates for low weight traffic, i.e., up to 10mt category, allowed private road transportation arrangement at both Birgunj and Majerhat terminal at Kolkata to expedite the delivery process and passed on the benefit to importers for utilization of same containers for export boxes by way of refunding the empty container freight from BGY to Kolkata. In the recent days CONCOR has taken a few more steps to save importers' costs by facilitating container drop off at HTPL and eventually by coordinating with the shipping lines to issue Bill of Lading (BL) up to Birgunj. High capacity and fast moving BLC wagons with gross carrying capacity of 34 tons per teu have been inducted into the circuit to bring the unit cost down and to easily carry the heavier containers.

Recently CONCOR actively participated in the efforts of ADB to introduce ECTS for the rail bound transit containers and coordinated with the Govt. of Nepal, Kolkata Port Trust, Customs, importers and other stakeholders. ECTS is expected to bring in efficiency and transparency in the entire supply chain by cutting the procedural delays, reducing paper works, bringing down dwell time at the port after landing, saving time and costs and providing cargo visibility to the importers and the shipping lines helping not only the Customs in ensuring safe passage of containers to Nepal but also the importers in planning timely delivery of the cargo on arrival. It helps them prepare themselves in time eventually reducing detention charges and giving better control on the inventory. The practical gateway port is now ICD Birgunj up to where the Shipping lines bring the containers on their own risk, paying the inland haulage charges to CONCOR. They issue DOs for releasing the containers at HTPL and receive the containers at HTPL possibly reducing the detention to null which used to be a huge financial drain on the importers.

### Nepal's important socio-economic indicators

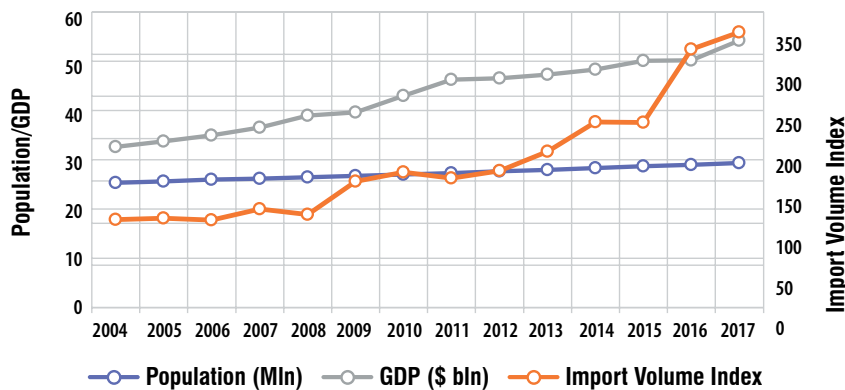


Figure 1

Source: World Bank data for Nepal and South Asia

### Growth in imports through ICD Birgunj

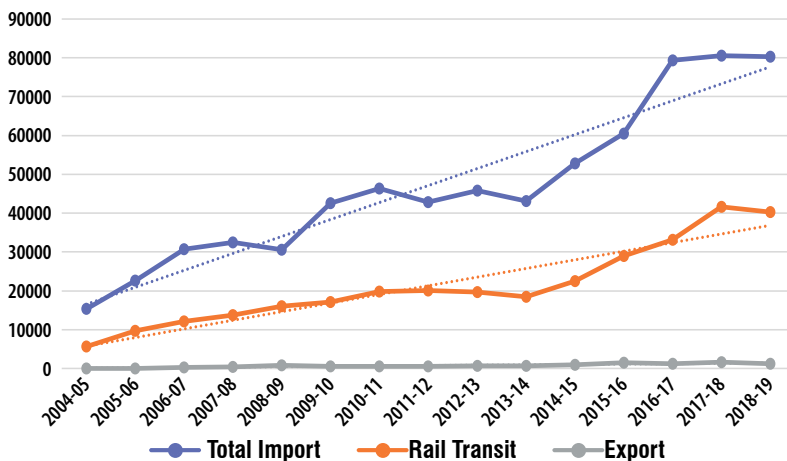


Figure 2

## Increase in rake movement after opening up of Visakhapatnam as second gateway port

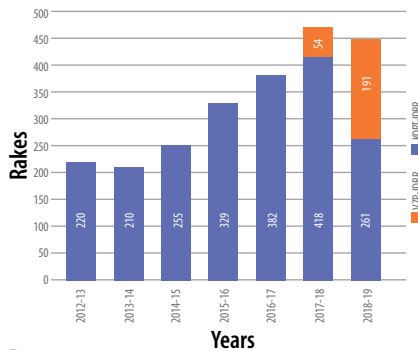


Figure 3

With growing imports, Visakhapatnam Port was opened as another gateway port by amending the RSA which increased the total rail-bound traffic to Nepal without increasing the cost as the lines introduced better deals by integrating the ocean freight with IHC and offering a cost effective package to the importers. Visakhapatnam started as an additional gateway port in the month of June 2017 but it gathered momentum only in January 2018. Effect of this new port on the total volume can be seen in Figure 3, which shows a sudden jump in import from 382 rakes in 2016-17 to 472 rakes in 2018-19.

## Transit time and cost savings

The volume of rail bound containers to Birgunj grew about 8 times in the last 14-15 years on the same rail network and route but the transit time has been reducing, albeit slowly, instead of increasing as it should generally happen with increasing volume on the same route. Similarly, the cost of transportation through rail has been much lower than the road, especially in the 26 tonnes and above weight category. Average cost saving per teu on transportation is approximately Rs.10,000/- which multiplied with the volumes per annum would give an idea of cost savings that Nepalese importers

have been able to achieve by using CONCOR's services.

## Terminal at Kurtha

Kurtha in Nepal is likely to be connected by rail with Jaynagar railway station in Samastipur Division of E.C Railway, India. Jaynagar-Bardibas section between India and Nepal will be a broad gauge connection passing through Janakpura and Kurtha in Nepal. The first phase of section up to Khurtha is likely to be commissioned in the current financial year. Kurtha is located between two important consumption and industrial clusters of Nepal, i.e., Biratnagar and Birgunj catering to the areas that are currently not served by the two LCSs located at these clusters. CONCOR can partner with the Napalese agencies to develop the terminal. The following two implementation models can be considered by the decision makers: a) A JV can be formed following the HTPL model with partners from both the countries with management control of CONCOR, or b) HTPL can invest and develop the facility as a second terminal complementing the terminal at Birgunj.

## Container Terminal at Biratnagar


The work of laying railway line is under progress and it is expected to be completed by the year end. The work of Indian Customs Yard and Nepal Customs Yard is under construction and the same is also expected to be completed by this year end. Biratnagar

is one of the important towns of Nepal and at present all traffic is moved by road through ICP and LCS at Jogbani in India and through LCS at Biratnagar in Nepal. The road is very congested and vehicles are detained near LCS for a long time. By developing this facility, containers can be easily moved to Biratnagar bypassing the existing LCSs. The Railway station of Biratnagar (On Nepal side) is ready. The goods line is yet to be made ready for operation and the adjoining platform would have to be developed with concrete CC blocks for RST operation. The same models as suggested above could be adopted for Biratnagar container terminal as well.

## Expansion of ICD Birgunj

At present HTPL terminal at Birgunj has only one line to handle container trains which is proving inadequate as the number of trains to HTPL is steadily increasing. If the number goes above 60 it will be highly impossible to handle container trains at Birgunj. One more container line must be added in order to take the import and handling to the next level. Indian Railways are electrifying the entire section up to Raxaul and several stretches are being doubled. If HTPL does not respond in time in terms of expansion of its handling capacity, it will become a bottleneck in itself. The line between Raxaul and Birgunj will also have to be electrified to allow the Indian Railways to use incoming locomotives right up to the HTPL terminal.

## Opening of border at Nautanva

Nautanva – Bhairawah LCS is also emerging as important transit location for import cargo in general and containers in particular. Indian Railways have agreed to open Nautanva as a container handling point for containers in transit to Nepal. This permission can be gainfully utilized by Nepal trade without investing into any infrastructure for the time being. Indian Railways' goods shed of Nautanva can be availed for the purpose. 

## Containers moving via Jogbani

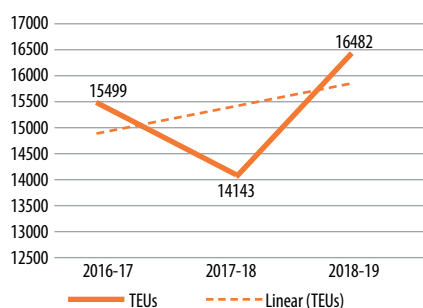


Figure 4



# REAL-TIME VISIBLE AND AGILE LOGISTICS

With over a 100 years of experience in supply chain and logistics, Jeena & Co is spearheaded by the 4th generation of its founders. **Cyrus Katgara**, Partner, Jeena & Co. reveals how being agile and flexible helps in coping with ever changing market demands

by Vijay Kurup

**Q. What are the critical elements that are required for you to be a success in retail fashion logistics?**

Systems integration with our overseas partners and buyers for complete real time visibility of their orders in pipeline.

**Q. Has online retail spurred the need for retail fashion logistics?**

Online retail purchase has added to the complexities of retail logistics. In brick and mortar retail scenario the spike/uncertainty in the demand for products was limited to the limits of the footfalls to the retail outlets and could be met with stocks based on some historical forecasts. With online retail the velocity of the products and obsolescence have increased manifolds resulting in requirement of a highly efficient and responsive supply chain to cater to such environment.

**Q. How are you able to cope with the ever changing customer demands?**

The mantra for coping with such ever changing market is constant innovation with agile and flexible operational and management structures.

**Q. When did you introduce door to door service? How successful has it been?**

Door to door service was introduced about 10 years ago. It has been reasonably successful in spite of stiff competition from global integrators

with vast reach in every nook and corner of the world. Ours is a niche cost effective product for large shipments that require customised door to door delivery with value added services of pick and pack, storage and consolidation.

**Q. What are the challenges you face in door to door delivery?**

We do face challenges such as urban congestion, remote locations, poor road infrastructure, lack of exact delivery address etc during door to door deliveries. This makes the estimation of last mile delivery costs difficult as such nuances cannot be accounted for accurately.

**Q. Tell us about your auto logistics solutions?**

In auto logistics, we provide an entire bouquet of services under the vertical of "Integrated solutions." Such solutions cover from line feed to packaging design solutions resulting in optimisation of space utilisation for cost effective freight options.

**Q. On the freight forwarding side: between air freight and ocean freight which side do you see business growing more? What could be the reasons?**


As of today, sea freight is growing faster than air freight in India. There are many reasons for the same, some of which are partially opened airspace of Pakistan, Space crunch situation

with airlines, poor infrastructure, limitations on size and weight etc.

**Q. How is the demand for 3PL in India? Do you see it grow in the near future? In which parts of the country do you see demand for 3PL catch up fast?**

The demand for 3PL in India is huge and increasing at a brisk pace. The revenue from 3PL is estimated to reach \$31 billion by 2022. Delhi NCR, Mumbai, Pune, Bengaluru and Chennai continued to be the top five markets in terms of demand and absorption. While Pune and Ahmedabad registered significant demand from the manufacturing sector, Kolkata emerged as a major logistics hub due to its consumption and distribution advantage. Demand from tier 2 cities like Coimbatore, Guwahati, Lucknow, Jaipur and Ludhiana are also growing.

**Q. Customs Dept. has implemented a lot of digital initiatives. How has been your experience in dealing with Customs department?**

Yes, there have been many initiatives taken by the Ministry of Finance to digitize Customs department however few of the initiatives like going paperless have not been implemented due to some reason or the other. We are taking up these issues via ACFI (Air Cargo Forum India) and pushing all stakeholders to implement the same at the earliest. 

# MAKING LOGISTICS FUTURE PROOF

Currently, all ports are working on their digital transformation, often independently of each other. By joining forces, sharing data and working together, we keep logistics future-proof and expand the world of possibilities, suggests **Martijn Thijsen**, *Digital Strategy, Transformation & Business Development - Containers, break-bulk & logistics, Port of Rotterdam*

**Q. Blockchain technology is being discussed more in the shipping and logistics domain? Why has the technology gained such importance?**

Blockchain technology is very suitable for providing insight into global trade lanes and optimising port calls. In collaboration with the Dutch ABN AMRO Bank and Samsung SDS, the Port of Rotterdam has initiated a pilot based on blockchain technology. The ultimate goal is to achieve a complete, paperless integration of physical, administrative and financial streams within international distribution chains. Payments, administration and the physical transportation of containers are mostly still entirely separate circuits, resulting in delays and inefficiency as many parties are involved.

Technologies such as blockchain are starting to prove their added value and we are discovering new applications every day. So we are only starting to see and unlock the true potential.

**Q. To what extent has the Port of Rotterdam embraced Blockchain in its operations?**

Using 'DELIVER' the BlockLab set up by the PoR, we are working on an open, independent platform



that connects blockchains and other technological networks in order to make logistics chains more transparent and efficient. By bringing together physical, administrative and financial streams, we enable banks to co-finance an entire trade lane. When a container travels around the world, payment is usually not made until a few weeks later. This particularly affects small businesses. If a bank sees that the bill of lading has been transferred to the next party in the chain, it can redistribute the money, and smaller parties can also get their invoicing and financing done.

The pilot project initially concerns multimodal transport of a container between Asia and the hinterland of

Rotterdam. In addition to the PoR, Samsung SDS and ABN AMRO, other parties may also join in the future. 'DELIVER' acts as a link between different blockchains and other networks. We act as a notary. We do not retain validated information from linked networks, but pass it on.

**Q. What role can Blockchain play in transforming the Port of Rotterdam into a future proof port?**

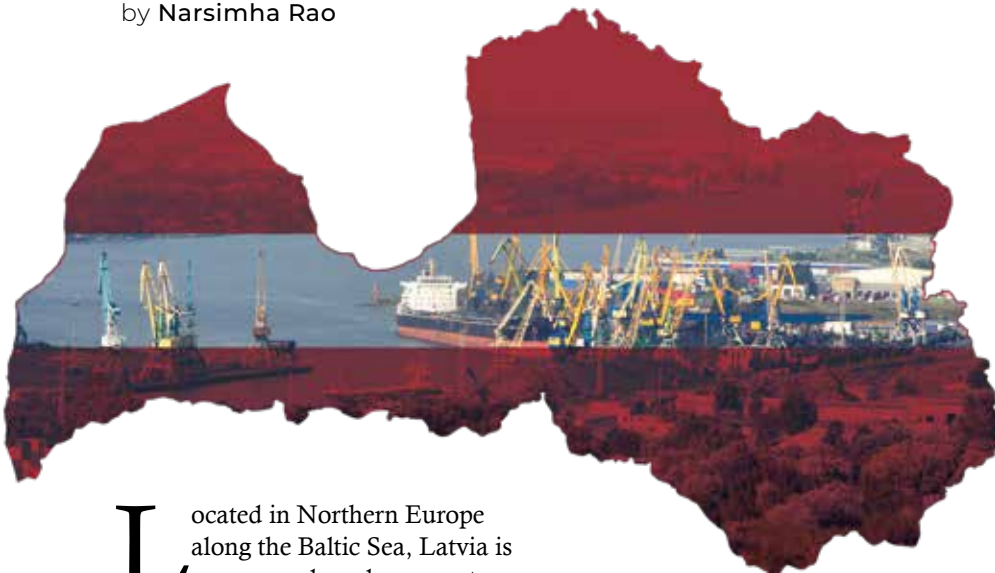
Our Blockchain effort is part of our Port Forward Strategy. This includes a range of digital tools that enable digitalization of port operations and supply chain efficiency and transparency. These tools can also be used by other ports to raise their digital level of maturity. Examples include the Pronto tool for Port Call Optimisation, the Streamline platform for streamlining container volumes and tools being developed such as Boxinsider and an automated trucking solution. The tools contribute to the creation of a single point of truth.

The Port of Rotterdam uses them to optimise cooperation within the port community and with hinterland parties and also aims to use them for data exchange with ports and logistics players. The need for standards for data exchange in logistics chains is growing worldwide. As a service provider, we can offer neutral platform solutions from a non-commercial position. Digitally connecting ports worldwide will be a step-by-step process. You can start simple, for instance, by exchanging ETAs. Currently, all ports are working on their digital transformation, often independently of each other. By joining forces, sharing data and working together, we keep logistics future-proof and expand the world of possibilities. [img](#)

# YOUR NEXT BUSINESS DESTINATION

by Narsimha Rao

Being the natural gateway to the European markets, owing to its geographic location, Latvia is also an entrepreneurial hotspots and one of the favourite investment destinations for the world



Located in Northern Europe along the Baltic Sea, Latvia is a green and modern country with a rich cultural heritage. The country's strategic location between Scandinavia and Russia has made it an international crossroad for trade, commerce, and cultural exchange since ancient times. In World Bank's 2018 Ease of Doing Business ranking Latvia is ranked 19th among 190 countries. So it's no wonder that Latvia is one of Europe's entrepreneurial hotspots, ranking 3rd after Estonia and Sweden. In terms of total early entrepreneurial activity in Europe, it is the 1st. Latvian GDP is forecast to grow at 3.5 per cent in 2019, which is faster than the EU average of 2per cent. The country is also one of the favourite investment destinations recording a FDI stock of €15.1 billion, which is 51.2 per cent of GDP. The largest inflow of FDI is in financial intermediation 24.3 per cent, followed by trade 14.4 per cent, real estate (13.3 per cent) and manufacturing (11.8 per cent). Most of the FDI comes from EU member

states (80 per cent, including 50 per cent from euro-area countries). In 2018 the largest FDI amount was from Sweden (17 per cent); Russia (11 per cent), Estonia (10 per cent), the Netherlands (7 per cent), Cyprus (7 per cent), Lithuania (6 per cent), Luxembourg (6 per cent).

## Favourable Business Environment

A major contributor to the growing investment in Latvia are the wide array of incentives, including support via EU Structural Funds and a business-friendly environment with appealing tax rebates – 0 per cent tax on reinvested profits. Advantage of EU membership privileges enable free movement of goods, services, capital and labour, and euro-area location. According to a 2018 survey, 55 per cent of existing investors intend to increase their investments in Latvia.






The EU is the major trade partner to Latvia accounting for 75 per cent of total turnover by value of goods. Significant export markets include Lithuania, Estonia, Russia, Germany and Sweden, while imports mainly come from Lithuania, Germany, Poland, Estonia and Russia. Export are mostly agricultural and food products (mainly cereal products), wood and its products, machinery and equipment, transport services, financial services, travel services and IT services. Import include machinery and equipment, food products, fuels, chemicals, and vehicles, textiles, transport services, travel services.

## Transit and logistics industry

### Ports

The country has three major ice-free ports including Liepaja, Riga, and Ventspils with depth or capacity of 12m/12.4mt/year, 16m/63mt/year, and 17m/43mt/year respectively. The cargo turnover in Latvia ports was 66,174.9mt in 2018. The type of cargo handled by the ports included dry bulk (chemicals, coal), liquid bulk (crude oil, oil products) and general cargo. Riga, and Ventspils act as free economic zones, while Liepaja is part of Liepaja Special Economic Zone (SEZ) with tax advantages for investments. All ports are equipped with necessary infrastructure including tanks, warehouses, cranes, and communication infrastructure as well as operating service providers, agents, customs brokers, and banks.

# FAVOURABLE BUSINESS ENVIRONMENT

 <p>Ranks <b>14<sup>th</sup></b> in the <b>Ease of Doing Business Report (2017)</b></p>	 <p>The <b>lowest total tax rate</b> for businesses in the Baltic States <small>"According to the latest edition of the Paying Taxes report from the World Bank Group and PwC"</small></p>	 <p>Among the world's <b>top 20</b> freest economies <small>"Index of Economic Freedom 2017"</small></p>	 <p><b>3rd</b> for tax competitiveness among OECD member states</p>	 <p>Fast-emerging start-up ecosystem and the 3rd largest fintech cluster in Europe</p>
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## Railways

Latvia has a joint 1,520 mm gauge railway system and a unified system for organising rail freight transportation. The rail freight volumes constitutes about 54 per cent of the country's total land transport volume. The railway system features single infrastructure, single rolling stock, unified information exchange system, single documentation, and there is no need to customs clearance on the border. The rail freight transportation offers the CIS and Asian countries with a direct access to Latvian ports in the EU. About 97 per cent of the rail freight is transit traffic mainly from Russia and Belarus to Latvian ports using east-west transit corridor. The total volume of railway cargo handled in 2018 was 49,265.6 mt of which 39,416.6 mt transited through ports. The freight handled by railway include coal, oil products, food products, chemicals, fertilizers, timber, metals, and containers.

Ever since 2017, a container train line has been linking Latvia with China. It takes less than 15 days for a train to cross the route, while it is around 45 days for sea transport. Latvia along with Poland, Lithuania, Estonia, and Finland, is destined to become an important regional transport hub with the new railway infrastructure project "Rail Baltica" which will integrate the Baltics into the European railway network.

## Aviation

Latvia's Riga International Airport

is one of the top five Europe's fastest growing airports. It served 7 million passengers and about 28,258 tonnes of cargo in 2018. It has largest destination network that allows to reach 85 million consumer market in Europe and Scandinavia using multimodal logistics solutions by air, land, sea and rail.

Over the next five years, different investment projects like expansion of passenger terminal and connection to Rail Baltica railway station, building of a new cargo platform and developing cargo logistics center in cooperation with investors, will allow Riga International Airport to increase passenger service capacity to 10 million passengers per year and double the cargo turnover. The country has two smaller airports located at Liepaja and Ventspils.



Latvia may be small, but it offers a multitude of opportunities in engineering and technology, as well as a special start up programme, making it ideal for Indians considering a European foray.

**H.E. ARTIS BERTULIS**  
Ambassador,  
Republic of Latvia



## Warehouses

There are wide range of customs warehouses, logistic centers, forwarding companies available in Latvia. Import through customs warehouses means entry of goods into EU without paying customs duty (done by warehouses) and VAT (postponed until the final sale in another EU country) on borders. A multifunctional warehouse and processing zone complex is currently under development in Riga Freeport. Known by name Bhandar warehouse project, it is being implemented by SIA Kundzinsalas Ziemeļu Projekts (KZP) and its subsidiary company SIA Bhandar. The purpose of the project is to create a distribution hub for storing goods of Indian origin for further distribution in Russia, CIS and the EU countries. The total area of warehousing planned is 30,000 square meters. A technological project of an A class warehouse with the area of 6,000 square meters including additional neighbouring open cargo areas is currently completed. The targeted commodities for storage and distribution in a first phase include peanuts, raisin, spices, tea, coffee, rice, etc. The warehouse is planned to handle, consolidate, store electric equipment, drugs and pharmacy products, dry fruit and nuts, etc. Using Bhandar warehouse in Riga, warehouse users – producers of agricultural and food products, exporters from India – possibly could obtain warehouse rent payment support through Indian Government organisation support scheme. 

# LOGISTICS NETWORK IS ONLY AS GOOD AS ITS PROFESSIONALS!

by **Dr Asha Pillai**  
Director, AiD Training Services, Cochin



**G**ood logistics can lower trade costs and helps countries compete globally. Despite extensive mechanisation and automation, logistics at an operational level is still a labour-intensive business. How well these employees are qualified, trained and retained is a major factor of logistics performance. Yet this factor is often overlooked or taken for granted.

At present, the industry is largely operated by semi-skilled workforce, especially at the entry level. There is a huge shortage of qualified personnel on all levels – truck driver to senior management positions. The recruiters are no more interested in generalists; they look for candidates having industry-based academic qualifications and/or prior industry or functional experience. In short, industry requires competent workforce at all levels. Due to this situation a “war for talent” exists among competing companies in the logistics sector.

Unfortunately, the quantity and quality of the available academic logistics education is suboptimal and often the students coming out do not possess the skills or the knowledge required in practice. Rapidly changing logistics job requirements often create gap between the market requirements and academic programs. To maintain


The gap between what is taught in the class and requirements in the field needs to be bridged. Logistics organisations must improve their HR policies and strive to retain key employees by offering transparent career paths

the alignment between the two, revision of academic programs according to the changing requirements of the industry is needed.

Logistics being a “boundary spanning” activity, it cuts across the borders of various business functions and hence employees on all levels must possess a cross functional understanding of various business fields. They need to look beyond their own functional area and understand how their jobs connect to the entire process and must be aware of the implications of their actions for the wider supply chain.

Logistical integration of business operations occurs across geography on

a 24x7 basis. Hence the employees in supervisory and managerial positions must possess a set of soft skills – communication, inter cultural, strategic decision making, leadership, analytical and IT skills – in order to manage the manifold tasks they face on a daily basis. Unfortunately, these are the skills they most often lack. This is mainly because, the employees who possess operational knowledge and expertise get promoted to senior management positions and put in charge of an entire unit or department without having had any previous exposure to leadership roles or training. Often training is limited to short-term on the job training, provided by colleagues during daily operations.

Advanced certification is not required for a successful career in logistics. However, continuously broadening one’s knowledge through classroom and on-the-job training is crucial for a successful career growth. Detail employee orientation is a prerequisite for the companies in logistics sector. The logistics organizations must improve their HR policies and strive to retain key employees by offering transparent career paths, appealing working environments and employee development programs (training programs at the company level). 

# A BOOSTER DOSE OF TECHNOLOGY

Be it port complexes or warehouses, digitalisation and automation is the mantra for efficient operations. The result is of course increased accuracy and speed of transactions, reveals **Amit Gupta**, Managing Director, Suraj Informatics



**Q. How do your applications improve operational efficiency and safety across port complexes in India?**

Our solutions focus on optimizing transactions by automatically identifying containers, people and managing truck operations. The result is increased accuracy and velocity of the transactions resulting in higher throughput and improved container inventory accuracy. Few benefits are:

- Increased capacity by using land as efficiently as possible. Truck parking facilities require large pieces of land and tends to be pricy. By keeping trucks on the move in the Gate process, capacity increases.
- Improve productivity through the elimination of data input and/or task confirmations.
- Centralized control over exceptions that occur from the automatic processing of trucks. Exception handling desks can be combined and are equipped with all necessary tools to solve any irregularities in the process.
- Improved “truck-turn-around-times.”
- Safer operations since no clerks are required in Gate lanes or below heavy equipment to check transactions because all data capture of transactions is automatic.
- Improved container management

system at all the places using wireless networking and mobile devices.

**Q. Tell us about your project consulting services?**

The project consulting services are categorised into design, deployment and maintenance. The recent application that we have designed at one of the ports is the crane automation system using RFID technology with Active Tags. In this solution, the readers are installed at cranes/RTGs and the active tags are fitted at the ground level at pre-defined locations. With this solution, the crane movement can be traced and tracked in a real time scenario and can be monitored from the central place.

**Q. What are the key issues and challenges you face?**

A major challenge is the coordination between various departments of ports. Sometimes IT department decides to implement a solution but operation people rule out the possibility to install these solution and vice versa. Change management is also an important issue.

**Q. Do the installation costs outweigh port automation benefits in India?**


We do not believe that the costs are found to outweigh the port

automation benefits. The automation and solutions may help a port increase its market value. The ports may use the benefits of these solutions in their marketing strategies for better business. We always try to communicate the benefits of solutions with the calculation of total cost of ownership.

**Q. How do warehouses benefit from your security solutions?**

A warehouse is a fast-moving place where you need one eye on security efforts and the other on the flow of goods into and out of the facility. Everything risk-related needs to be factored in, from theft prevention, access control, surveillance, fire and safety, to disaster recovery, data security and environmental monitoring.

**We can provide:**

- Inventory management systems using wireless networking, mobile device or using RFID solutions.
- Access controls to secure certain rooms or areas
- With video surveillance tools, maintain a bird’s eye view of the entire warehouse
- Intrusion alarms and intrusion detection technologies
- Manage your warehouse from a remote location or manage multiple locations at the same time. 



# THINKING OUT OF THE BOX

The objective behind CMA CGM launching MOV INDIA 2019 is to generate out of box ideas. The conclave deliberated on compliance with IMO 2020 emission reduction norms, digital disruption and data security issues



Ugo Vincent, MD, CMA CGM India, addressing the gathering

The ongoing trade war between USA and China has resulted into a huge spurt in the global business of Indian suppliers, observed **Ugo Vincent, MD, CMA CGM India**. He was addressing the debut edition of CMA CGM's 'MOV' INDIA 2019' conclave in Mumbai. "A surge of 30 to 50 per cent in the global business of Indian suppliers has benefitted us a lot due to this ongoing trade war. CMA CGM India's growth in Q1 of this year has primarily come from the cargo movements to and from Europe, Africa and USA. India to Africa and India to Latin America markets are growing at a good pace as far as container cargo movements of CMA CGM India are concerned."

"CMA CGM India is keen on facilitating project cargo movements into and outside India capitalizing on 'Make in India' initiative. "We have introduced many value added services in India recently. In the last eight months, since its inception, over twelve Indian customers have used our

'Smart Containers' digital technology service," said Vincent.

Delivering his opening address at MOV' INDIA 2019 conclave, Mr Ugo Vincent said, "Shipping industry is undergoing an innovative transformation currently. Today, creating an ideal and optimum environment for the customers is the focus of all service providers in the shipping industry. At present, digital technology is acting as a catalyst in the growth of the shipping industry worldwide. The motive behind launching the first edition of 'MOV' INDIA 2019 in Mumbai is to generate out of box ideas aimed at fuelling the growth of the maritime sector.

The opening session of the event, moderated by **Anil Devli, CEO, INSA**, focused on "Intervention of new environmental technologies towards a cleaner shipping industry." He said, "In a written communication to INSA, Indian Oil has confirmed to supply low-sulphur fuel November 1, 2019 onwards. Such oil will be

available at nine ports in India. Total 1 million tonnes of such fuel will be produced by Indian Oil initially. Other oil companies in India too have pledged to produce adequate bunker fuel supply to the ships using scrubbers January 1, 2020 onwards. I thus foresee India to become a major bunker hub in the future."

**Capt Deepak Tiwari, Chairman, CSLA** said, "Do all oil majors globally have the capacity to supply such fuel in adequate quantum to the industry when this regulation comes in place? It's an interesting and a concerning question. Due to this new regulation, the freight rates might rise or bunker surcharge fees might be levied by ship owners or shipping lines to the shippers. I presume \$160 per teu is likely to be the impact or cost rise assessed by the industry currently due to the new IMO regulation."

**Capt V K Singh, CEO, Shreyas shipping**, said, "For our coastal operations, Shreyas Shipping will not install the scrubbers on its fleet due to

cost compulsions. We will certainly start using the low sulphur fuel oil. "However, cleaning of vessels' fuel tanks to use low sulphur fuel oil is a mammoth and a costly task. These are operational challenges for us. The cost-increase will certainly be passed on to the shippers."

The second session, moderated by **Ramprasad Ravi, Editor-in-Chief, Maritime Gateway**, focused on "Digital disruption – The next wave of initiatives." He said, "Although shipping industry is relatively slow in implementing digital technology and allied initiatives globally, we are gradually moving towards digitalization in India fortunately. It is interesting to note that freight rates in the USA have crashed by 22-30% due to Amazon's latest freight initiative on the digital space."

"Today, data security is a major concern for all stakeholders globally. Data needs to be collaborated smartly in the digital age. Maritime Gateway's forthcoming survey based on 26 parameters will certainly be useful to understand the level of technological adoptions completed by the shipping industry in India," he added.

**Liji Nowal, MD, ODEX India Solutions**, said, "More investments should flow into technology upgradation initiatives in the shipping industry. I regret it's not happening currently as trends reveal to me. Also, more investments should flow in novel ideas in the shipping industry as far as pollution norms are concerned. Solar technology should be given utmost importance. ODEX India Solutions is here to bridge the gaps that exist in the shipping sector as we comply on global norms as far as data protection is concerned."

**Thomas Nouvian, Deputy Director of Maritime Business Unit, Traxens**, said, "Our 'Smart Container' is a novel initiative aimed at creating value for customers worldwide. However, one should understand that technology is not a long term differentiator as ultimately everyone

will have access to it in the longer run. As far as data protection is concerned, one has to carefully think: Who has got the right to access the data? And, who has got the right to share the data?" added Nouvian.

**M P Anand, General Manager, Customer Care, CMA CGM India**, said, "Seamless flow of information aimed at helping the customers is our focus. Primarily, digitalization caters to the need of customers based on their feedback and surveys and we maintain highest standards of data protection. Going forward, robotic process automation is also keenly studied by CMA CGM for implementing in the future."



(LtoR), Jacob George, Ex-VP - Commercial & Logistics, Thermax India; Pranab Roy - Area General Manager - Gujarat Region, CMA CGM India; Capt Sandeep Mehta - President, Adani Ports & SEZ Limited; Ugo Vincent - Managing Director, CMA CGM India; Rahul Rai - Head - Project Cargo & Engineering Division, Allcargo Logistics; Parthasarthy Gopalan - Area General Manager South & East Zone, CMA CGM India.

Vivek Kele, Director, Team Global, said, "Digital disruption today is creating a value proposition for all customers. There are technological tools available to protect the data. Also, trust and integrity of platform operators is very important. In India, thus, 'protection of data' is a huge challenge in the digital space."

The concluding third session, moderated by Parthasarthy Gopalan, Area General Manager, South & East Zone, CMA CGM India, focused on, "Beyond the Box:-New horizons for the over dimensional cargo." Ugo Vincent said, "We are in project cargo movement and a key player in this space for the past 30 years. In cooperation with the ports, we offer tailor-made solutions to our customers


keen on moving project cargo through us. We have got seven dedicated project-teams in place across the globe. A lot of data keeps on exchanging between them on a constant basis."

**Raghu Rai – Head – Project Cargo & Engineering Division, Allcargo Logistics**, said, "Project cargo movement is expected to register 15% growth on year-on-year basis out of India. However, proper training of logistics professionals to hand the project cargo movements remains a challenge as on today."

**Jacob George, Ex – VP – Commercial & Logistics, Thermax India**, said, "In the years to come, project cargo exports are likely to

witness 30-40% surge due to the thrust on 'Make in India.' The much anticipated road infrastructure development in India is certainly going to fillip the growth of project cargo business."

**Capt Sandeep Mehta – President, APSEZ** said, "India is in dire need of a dedicated 'Ministry of Logistics.' The existing global fleet-strength of project cargo vessels is 3200. More project cargo vessels should be built as only 80 vessels are being constructed currently in the present year."

"Adani Port is well-geared to handle project cargo movements as we staunchly believe that project cargo should ideally be loaded within four hours at the port," added Capt Mehta. 



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